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West Europe

FBIS-WEU-94-015
Monday
24 January 1994

Daily Report
West Europe

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Pope: 'Arms Must Not Be Silent' in Saving Bosnian Lives

AU2401082994 Paris AFP in English 2326 GMT 23 Jan 94

[Text] Vatican City, Jan 24 (AFP)—Pope John Paul II admitted Sunday [23 January] the need for armed action in ensuring that humanitarian aid got through to regions of Bosnia-Herzegovina where it was needed to prevent starvation or save the lives of the wounded.

"Arms must not be silent when they are escorting essential goods to people who are dying of hunger, medicine for people who are ill or wounded, or concrete support for the poor," the pontiff said in an address during a day of prayer for Bosnia in which he invited all Christians to take part.

The pope expressed pain at "so much cruelty" in the former Yugoslav republic and issued an "urgent appeal" for road access to be given to convoys bringing relief to "those who are dying of hunger" in Sarajevo, Tuzla and Mostar.

"We suffer at the sight of so much cruelty, the repeated and very serious violations of human rights, the destruction of priceless monuments to civilisation. The acts of violence against women, children, elderly and defenceless people affect us deeply," he said.

And he told the Bosnian people: "You are not abandoned. We are with you and we will be with you, we will always be with you."

Meanwhile in Sarajevo, Bosnia's leading Moslem cleric Mustafa Efendi Ceric called on the Islamic authorities of Iran, Turkey and Egypt to end the suffering of the Bosnian people "whom all the others have betrayed and abandoned."

In a letter written after the death of six Sarajevo children killed by a shell as they played in the snow, Ceric said he could no longer call "either on (UN chief) Butrus Butrus-Ghali, or on the European or world community, which remain deaf to the cries of our women and children."

Ceric, whose letter was broadcast by Sarajevo radio, accused the international community of "looking on with indifference as the aggressor kills innocent children because the victims are Bosnian Moslems whom they themselves have deprived of the right of self-defence."

The latter comment was a reference to the international arms embargo against the republics of former Yugoslavia which Bosnians regard as preventing them from defending themselves against the superior weaponry of separatist Serbs who are armed by Belgrade.

The radio said the letter was sent to Iran's spiritual leader Ayatollah 'Ali Khamene'i, to the chief ulema of Turkey and to the imam of Al Azhar in Egypt.

Bosnian vice-president Ejup Ganic meanwhile called on U.S. President Bill Clinton to honour his pledge not to tolerate the strangling of Sarajevo "which has gone on for 22 months now."

He said he hoped the United States "will not allow countries which tolerate genocide and reward aggression to dictate the policy of the international community on Bosnia-Herzegovina."

After the killing of the six children on Saturday Bosnian Prime Minister Haris Silajdzic called in a letter to Butrus-Ghali for airstrikes to break the stranglehold imposed by Bosnian Serb forces on the Bosnian capital.

Peres, 'Arafat End Self-Rule Negotiations in Oslo

AU2201194594 Paris AFP in English 1923 GMT 22 Jan 94

[Text] Oslo, Jan 22 (AFP)—Israeli Foreign Minister Shimon Peres and PLO Chairman Yasir 'Arafat concluded talks in Oslo Saturday night [22 January] aimed at jump-starting the stalled Palestinian self-rule negotiations.

The two leaders left agreeing to meet in Davos, Switzerland next Saturday, Foreign Ministry officials said.

'Arafat and Peres said they had made progress in the discussions, but did not go into any details.

Acting Foreign Minister Bjoern Tore Godal was pleased with the talks.

"I'm more optimistic now than I was a few days ago," Godal said.

" 'Arafat and Peres have a deep personal commitment" to the discussions, he added.

'Arafat and the Palestinian delegation left the meeting for the airport, due to fly to Saudi Arabia, while Peres was due to leave Sunday morning.

Pangalos Arrives for European Parliament Session

NC1801195094 Athens Elliniki Radhiofonia Radio Network in Greek 1800 GMT 18 Jan 94

[Text] Alternate Foreign Minister Theodhoros Pangalos arrived in Strasbourg this evening to present the [European Union] Greek presidency program at the European Parliament [EP] plenary session.

European Parliament President Egon Klepsch and the political group leaders today disapproved of the international press attacks against the Greek presidency when it assumed its term of office. Our Strasbourg correspondent Nikolaos Belos has the following report:

[Begin Belos recording] European Parliament President Egon Klepsch and the political group leaders in Strasbourg disapproved of the international press attacks against the Greek presidency when it assumed office. The issue was raised for discussion by Mr. Klepsch at the European Parliament presidium. He said that the criticism was condemnable and that he does not accept prejudging the failure of a presidency before it even begins. Mr. Klepsch added, following the discussions he had a few days ago with representatives of the Greek Government in Athens, that he believes that the presidency gives priority to cooperation with the European Parliament and the other bodies of the European Union.

Jean-Pierre Cot, leader of the European Parliament's socialist group, described the Greek presidency as solid and experienced and called the international press articles on the alleged negative character of the Greek presidency impolite. Referring to the Greek presidency's priorities, Mr. Cot described them as correct because they cover economic and social aspects of the European Union as they were determined within the framework of the white paper. Mr. Cot also referred to the European Union's foreign policy, which the presidency will promote, and stressed that from his contacts in Athens with leading members of the Greek presidency he has viewed the experience and knowledge the Greek Government has on Balkan issues. In conclusion, the socialist group leader expressed the conviction that the Greek presidency aims at insuring peace and security in the Balkans.

Participating in the discussion on the Greek side were the two European Parliament vice presidents, Paraskevas Avyerinos of PASOK [Panhellenic Socialist Movement] and Yeorgyios Anastasopoulos of New Democracy. They both stressed that the international press attacks were not only against the government but also against the Greek people. At the same time, they also dealt a blow to the European Union institutions.

European Commission President Jacques Delors also criticized the international press attacks against the Greek presidency during his visit to Athens. [end recording]

Addresses Session, Explains Greek Position

NC1901141994 Athens ET-1 Television Network in Greek 1300 GMT 19 Jan 94

[Text] The European Parliament's [EP] plenary session accepted the Greek presidency's program without substantive criticism. Reservations were expressed only regarding the white paper's implementation.

[Begin recording] [Unidentified correspondent] Theodhoros Pangalos, the Greek alternate foreign minister and president of the Council of Ministers, presented the Greek presidency's program to the European Parliament's plenary session. Pangalos particularly stressed what could be expected from a presidency in an international environment that is very unstable, experiencing serious crises, and suffering clashes. In his address, Pangalos stressed that the Greek Government attaches particular importance to implementing the white paper on employment and development. He said he hopes this will not be hindered by financial obstacles.

Discussing the European Union's [EU] expansion with four new members from the North, Pangalos referred specifically to Cyprus' application.

Referring to EU initiatives on common foreign policy, Pangalos mentioned the Greek presidency's sensitivity toward promoting peace and security in the Balkans and working toward resolving the tension in the former Yugoslavia. This position was accepted, the Greek presidency indirectly clarifying that it will not exploit the presidency to promote a national policy on the Balkans. This is why Pangalos carefully avoided mentioning Skopje or Turkey's policy toward Greece, something that was criticized by KKE [Greek Communist Party] Eurodeputy Efraimidhis. Replying to Efraimidhis, Pangalos said he was speaking for Greece as the EU president, not as a Greek nationalist who could satisfy his own wishes. [end recording]

Satisfied With Session

NC1901211594 Athens Elliniki Radhiofonia Radio Network in Greek 1800 GMT 19 Jan 94

[Text] Alternate Foreign Minister Theodhoros Pangalos made a statement in Strasbourg expressing his satisfaction over the European Parliament's acceptance of the Greek presidency proposals. Many European Union [EU] member countries supported the accession of Cyprus and Malta to the EU. Nikolaos Belos, Greek Radio special correspondent at the European Parliament headquarters, has the following report:

[Begin Belos recording] All the political groups in the European Parliament are in favor of the membership of Cyprus and Malta in the EU. This conclusion has been drawn from today's deliberations at the European Parliament plenary session, which were held after EU Council President Theodhoros Pangalos and Commission member Hans van den Broek presented reports on relations between the EU and these two countries.

At the same time, it has been learned that the name of the EU observer at the intercommunal negotiations on the Cyprus issue within the UN framework will be announced in the next few days. As Mr. Pangalos noted, the observer will brief the EU on whether negotiations within the UN framework are in accordance with EU norms [kektimeno] and EU-Cypriot relations. Analyzing the presidency's intentions concerning the application of Cyprus for membership, Mr. Pangalos stressed that he has scheduled a meeting on the EU's association with Cyprus for May and added that the Greek presidency, responding to the decisions made at the Lisbon summit, will also hold a political dialogue with the Cyprus Government at all levels.

Mr. Hans van den Broek pointed out that talks between EU officials and Cypriot authorities on preparations for membership are developing at a very satisfactory pace. In conclusion, Mr. Hans van den Broek described 1994 as an important year for the membership requests from Cyprus and Malta and stressed that the final decisions will be made in January 1995 on the basis of the progress made by that date. It is worth noting that all the political group representatives without exception, Greeks and others, who took the floor supported Cyprus' membership in the EU.

Alternate Foreign Minister Theodhoros Pangalos gave an international news conference late this afternoon and responded to questions from correspondents on the Greek presidency's program. On EU expansion, Mr. Pangalos, who will visit the three Scandinavian candidate countries soon, stressed that there are difficulties in the negotiations but expressed the hope that they will conclude by 28 February as scheduled. He added that the presidency has provided for two unscheduled meetings of the EU foreign ministers in February.

Responding to a question on the Skopje issue, Mr. Pangalos said that Greece supports and guarantees the existence of Skopje. This state, he said, exists thanks to Greece, since its economic life depends on Thessaloniki. For this reason, Mr. Pangalos added, Greece would like this state to change its behavior on the issues of borders, its constitution, and the emblems on its flag.

Mr. Pangalos also responded to questions on the implementation of the white paper and on other issues that the Greek presidency will be handling. [end recording]

Editorial Views EP Session, Threat Balkans Poses to EU

BR2101155294 Brussels DE MORGEN in Dutch 21 Jan 94 p 3

[Editorial: "The Cowardice of Europe"]

[Text] There must be not less, but more Europe. That is the familiar chorus of the litany of many political parties, and over the next few months the population will continue to be confronted with it. After all, the European election campaign will soon be starting, and a not inconsiderable number of candidates will declare their great belief in the European idea. Their words will meet with great skepticism, not least because of Europe's dramatic failure in the former Yugoslavia.

Exactly how great and total the debacle really is, was once again illustrated all too clearly yesterday in the European Parliament [EP] in Strasbourg. European Commissioner Hans Van den Broek called for the curtailment of European attempts at negotiating peace, claiming that after all they lead nowhere and invariably end in failure. Despite the many conferences that have been held, the prospect of peace is further away than ever. And whenever agreements were reached in the past, they were not respected. The warring factions in Bosnia are continuing to give priority to their armed struggle and Europe is powerless to convince them to do otherwise. The European Union lacks the military might, a coherent concept, and, above all, the single-mindedness to do so. It is no coincidence that Van den Broek should specifically choose the Greek presidency to propose that Europe wash its hands in innocence, echoing the legendary cowardice of Pontius Pilate. After all, the Greeks are allies of the Serbs, and will do nothing that ruffles the feathers of Milosevic & Co. Under these circumstances, it can virtually be ruled out that the Union will succeed in acting firmly or coherently. After nearly three years of war, an exhausted Europe has had enough of the misery in Bosnia. Yesterday, an isolationist appeal was made by EC Commissioner Van den Broek, but there were also the decisions by the Netherlands and Germany to send thousands of Croatian refugees back home. The question remains, however, as to what the consequences will be of any further spreading of the fighting and ethnic cleansing. Bosnia is not the only powder keg in the Balkans. There is also Kosovo, and Macedonia. If their fuse is ignited, then the fire could spread right through the Balkans, and the European Union would have no alternative but to fear the collapse of that entire flank of the continent. The belief that the Union can isolate itself from the rest of Europe is a dangerous misconception, and a foolish illusion.

Impact of EU Expansion on Voting Arrangements Examined

PM2001150894 London THE EUROPEAN in English 21-27 Jan 94 p 6

[Article by Lucy Walker: "Votes in an Imperfect System"]

[Text] The geographical centre of gravity of the European Union [EU] will shift sharply northwards with the proposed inclusion of four new member states by 1995.

But before negotiations with Austria, Finland, Norway and Sweden can be concluded, the Twelve's existing members must decide how far they are prepared to see the political centre of gravity shift, too.

The Union's Mediterranean members are worried that embracing the four rich, and principally Protestant, northern states will move the political agenda away from their own priorities.

Which gives Malta and Cyprus—also queuing up for membership—an opportunity to argue that making them full members soon would keep the current north-south balance more or less intact.

Yet the Mediterraneans—who count only two large countries, Italy and Spain, in their number—could find the northern newcomers allies when it comes to deciding the balance of power between large and small countries.

Large countries have more votes in the Council of Ministers than small ones—a legacy of the old European Coal and Steel Community, in which France, West Germany and Italy were not prepared to be outvoted by Belgium, the Netherlands and Luxembourg.

Yet with votes based only roughly on population size, the minnows look overrepresented in terms of the ratio of votes to population. Luxembourg's two votes mean one vote for every 200,000 of its citizens. Britain and France's 10 give them roughly one vote per 5.8 million people.

It's a voting formula which has survived the successive incorporation of new members and ensures that large countries can't be outvoted in the Council by a motley alliance of mini-states.

Even so, the way that votes are evaluated has changed. By the 1980's, Brussels had almost ground to a halt. The Community, hit by recession and a decision-making structure requiring unanimity, was in the grip of Euro-sclerosis. The response was the 1987 Single Act.

This aimed to kick-start the EC by allowing binding decisions on a majority vote in a wide range of policy areas. Small members were protected from intimidation by larger ones by a system of weighted—or "qualified"—majority voting. Under this procedure, it takes 54 of the Council's 76 votes (a difference of 22) to get a qualified majority, so small countries need only pool 23 votes to successfully block a move.

The compromise has worked well. To reach a qualified majority, the Big Five need at least two small states on their side. Alternatively, small countries need the support of three heavyweights. Any combination represents roughly 70 percent of the Union's population.

Still, each wave of new members into the EU means readjusting the balance of power. EU leaders agreed on the number of votes for new members last month. Sweden and Austria will get four each, with three apiece for Finland and Norway. But they have still to agree on the formula for blocking minorities. If the equation used to decide on votes is extended, eight of the tiddlers—representing less than one eighth of the combined population—would be able to block decisions affecting the remaining seven eighths.

Karl Lamers, a German Christian Democrat, has proposed a complex formula that would ensure decisions are taken by a majority of member states which among them represent a majority of the EU's citizens. A new category of "super-qualified" majority could be introduced in areas now requiring unanimity such as taxation and foreign policy.

A new formula could be agreed by EU leaders in Corfu in June, or at a special summit, possibly in March or April.

And yet any solution will be a stopgap. Germany—the biggest member state and, since unification the most grossly under-represented per head of population—may push for a redistribution of votes at the Union's next round of institutional reform in 1996.

There may be a redistribution of commissioners, too. Today, the Big Five have two each and the rest—including the four new members—one each. One suggestion is that the Big Five each have a permanent seat in Brussels, while the minnows rotate the remaining places.

The issue could be more complex if the Union brings in micro-states Malta and Cyprus. Maltese diplomats have indicated privately that their country may not take up its right to hold the EU's rotating presidency, perhaps missing a turn at the helm, as Portugal did.

Such a concession might alarm medium-sized members. For them this would be a slippery slope, dangerously eroding their comparative power against the big battalions.

EU Negotiations With Austria Seen Making Progress

AU2001145094 Vienna DIE PRESSE in German 20 Jan 94 p 4

[Report by Otmar Lahodynsky: "Final Spurt to Agriculture"]

[Text] Brussels—The European Union [EU] membership negotiations will be continued on 21 January. Solutions regarding car component suppliers and the brandy monopoly are in the offing. Then the final spurt will begin.

Up to four more chapters can be settled in a new round of negotiations at the level of ambassadors on 21 January. Thus 17 of 29 chapters would be checked off for Austria. Once agreement is achieved in the areas of competition, free trade in services, the customs union, and foreign trade, "we will have our hands free for the political finish," said Austria's EU Ambassador, Manfred Scheich.

In the next round at ministerial level on 8 February, "the course must be set for solutions" to the important issues of transit traffic, second homes, and agriculture, said Scheich.

A solution was found to the problem of Austrian supplies for the Japanese automobile sector, which are coupled to import quota. The EU Commission is ready to consider this traditional agreement between Vienna and Tokyo in the scope of its annual negotiations with Japan on import quotas for private cars for the whole of the European Union. In the area of competition, after the three-year transition period for the tobacco monopoly, a one-year transition period has now also been agreed upon for the brandy monopoly which must be abolished in the sales area.

Agriculture is the largest hurdle in the final heated phase of the membership negotiations, which are to be concluded by March. Until recently, Vienna did not have a clear position on the EU proposal that as soon as Austria is a member, it will have to reduce farm prices, and that at the same time, compensation will be paid for the farmers through direct income subsidies. The new "single market model," which is now being discussed among EU member states, no longer envisages price adjustments of several years—as was the case in the past when new members were admitted—by "membership compensation payments" being collected for imports and exports of agricultural products at the borders.

In Vienna, the option was examined to carry out this system of price adjustment levies (on imports) and refunds (on exports) without border checks, which is preferred by farmers' representatives, by way of using trade statistics at home. This would mean, however, that during a transition period of several years, Austria's consumers would have to continue to pay higher food prices than are paid in the other EU member states.

The European Union wants to see the losses of Austrian farmers compensated for by direct income subsidies. It is not yet clear who is supposed to pay.

Meanwhile, EU Council Chairman Theodoros Pangalos has said he does not rule out different membership dates for Austria, Finland, Sweden, and Norway. According to Pangalos, the European Union, who has also received membership applications from Cyprus and Malta, will presumably begin negotiations with Cyprus on 1 January 1995.

EEA Oversight Body Begins Reviewing EFTA Laws

PM2001155494 Helsinki HUFVUDSTADSBLADET in Swedish 12 Jan 94 p 10

[FINSKA NOTISBYRAN report: "EEA Conflict Over Alcohol Monopoly"]

[Text] The EFTA [European Free Trade Association] countries and the EU [European Union] are agreed that the last unresolved issues in the supplementary protocol to the EEA [European Economic Area] agreement must be resolved before the end of January. The two sides fixed this deadline at the first meeting of the EEA Mixed Committee in Brussels yesterday.

The issues have to be resolved if the supplementary protocol is to be able to come into force by the beginning of July at the latest. Before it comes into force it has to be ratified by the parliaments of the EU countries and those of the five participating EFTA countries—something that will take a few months.

"If matters are not completed by then the supplementary protocol could be delayed until the beginning of next year—something that we must avoid at all costs," said the EC Commission's Hans van der Pas, who is the chairman of the Mixed Committee in the first half of 1994.

The supplementary protocol contains around 400 EU laws which have come into existence since the negotiations for the EEA agreement were completed.

Around 10 questions remain unresolved, but both Van der Pas and the EFTA countries' representative on the Committee, Antti Sauli, believe that it will be possible to resolve them.

Yesterday's meeting was devoted chiefly to organizational matters, but a first bone of contention regarding the interpretation of the EEA agreement has already surfaced.

Norway and the EU Commission take different views as to whether the Norwegian state alcohol monopoly can be reconciled with the EEA agreement, and the Commission has asked EFTA's oversight body, the ESA [EFTA Surveillance Authority], to look into the matter. Norway wants to retain its wholesale monopoly, but the Commission wants it abolished.

With Finland and Sweden the EU has reached agreement regarding their alcohol monopolies in their membership negotiations. The solution was that all monopolies apart from that in the retail sector will be abolished.

The ESA is currently beginning its work by going through all legislation regarding the EEA agreement of the five EFTA countries participating in the EEA.

This review of Finland's, Norway's, Iceland's, Sweden's, and Austria's legislation will cover laws on alcohol and other monopolies, and also the free movement of people, and the abolition of tax and other obstacles to trade. The ESA will also look at all state support paid out in the five countries. The work is expected to take several months.

EC Allocates $15 Billion To Fight Unemployment

AU1901182594 Paris AFP in English 1803 GMT 19 Jan 94

[Text] Brussels, Jan 19 (AFP)—The European Community agreed here Wednesday [19 January] on the distribution of ECU13.948 billion (about 15.4 billion dollars) to help fight unemployment in the 12-nation Community over six years to 1999.

The biggest beneficiary was Britain, which is to get ECU3.377 billion (3.7 billion dollars), followed by France (ECU3.203 billion—3.5 billion dollars) and Germany (ECU1.942 billion—2.14 billion dollars).

The money comes in addition to the ECU141 billion (155 billion dollars) which the EC will spend on economic development in the poorest parts of the EC—known as Objective 1 areas—between 1994 and 1999.

Objective 1 areas include pockets of depression throughout the EC plus most of Spain and all of Ireland, Greece and Portugal. The money divided up on Wednesday will go to other areas in the EC.

It is earmarked to fight long-term unemployment by helping young people adapt to the labour market along with others long excluded from the workplace, and to help workers adapt to industrial change.

According to the latest official figures, unemployment in the EC is running at over 10.7 percent and is expected to peak at 11.5 percent in mid-1995.

Finance Commissioner Cited on Single European Currency

AU1801172294 Paris AFP in English 1610 GMT 18 Jan 94

[Text] Strasbourg, Jan 18 (AFP)—The European Community can progress towards the introduction of a single currency without reimposing narrow bands on the exchange rate mechanism (ERM), Finance Commissioner Henning Christophersen said on Tuesday [18 January].

"If everybody accepts that the 15 percent band is a normal band, the only important question is: Is your currency close to the central rate?," he told journalists outside a meeting of the European Parliament.

At the beginning of August, in the face of massive speculation against currencies in the European monetary system (EMS) and particularly against the French franc, EC finance ministers widened the permitted range of fluctuation of most of the currencies within the ERM from 2.25 percent to 15 percent.

Christophersen said that the re-imposition of narrow bands might lead to a resumption of speculation against ERM currencies.

Under the terms of the Maastricht Treaty, the Community is to begin stage three of economic and monetary union between the end of 1997 and the end of 1999 at the latest.

Under stage three the Community is to adopt a single currency, and Christophersen declined to rule out the possibility that the currency might be adopted in 1997. However, he said that it would be "very, very difficult."

A senior EC official has said that six members of the Community might be ready quickly to meet the conditions for use of a single currency. He named them as Belgium, Luxembourg, the Netherlands, Germany, Ireland and France.

Inflation in EC Rises to 3.3 Percent in December

AU2101145794 Paris AFP in English 1449 GMT 21 Jan 94

[Text] Luxembourg, Jan 21 (AFP)—The 12-monthly rate of inflation in the European Community (EC) rose in December to 3.3 percent representing an increase of 0.1 percent from the rate in November, the EC Eurostat institute reported on Friday [21 January].

But the institute said that the figure of 3.3 percent was the lowest for a calendar year since 1987, when it had been 3.4 percent.

Half of the EC countries met the inflation criteria laid down in the Maastricht Treaty on European Union for meeting targets for economic convergence.

These countries were Denmark, Ireland, the Netherlands, Britain, France and Belgium. Under the treaty, the annual rate of inflation must not exceed the average of the three lowest rates by more than 1.5 percentage points.

But Sweden and Austria, which are negotiating to join the Community, did not meet the criteria. Inflation in Sweden was 4.8 percent and in Austria it was 3.5 percent.

Two other candidates for membership are Finland, with inflation of 1.5 percent, and Norway with 1.8 percent.

The inflation rates for the 12 months to December were: Belgium 2.7 percent (from 2.4 percent in December 1992), Britain 1.9 percent (2.6 percent), Denmark 1.5 percent (1.5 percent), France 2.1 percent on a provisional basis (1.9 percent), western Germany 3.7 percent (3.7 percent), Greece 12.1 percent (14.3 percent), Ireland 1.5 percent (2.5 percent), Italy 4.4 percent (4.6 percent), Luxembourg 3.6 percent (2.9 percent), the Netherlands 1.7 percent (2.9 percent), Portugal 6.4 percent (8.5 percent), and Spain 4.9 percent (5.3 percent).

EC Competition Commissioner on Challenges for Europe, U.S.

BR2101163994 Brussels L'ECHO in French 15-17 Jan 94 p 2

[Report by Olivier Gossey: "Opinion of EC Commissioner for Competition Karel Van Miert on Common Challenges for Europe and the United States"]

[Text] GATT, social protection, and the environment: Karel Van Miert believes that the European Union and the United States are now faced with several similar objectives.

Addressing the members of the American and Common Market Club (ACMC) in Brussels, European Commissioner Karel Van Miert affirmed that apart from enlargement, ensuring the follow-up of the Uruguay Round, and working in favor of the environment and social dimension will be the three main challenges facing the European Union in the near future. Moreover, he noted—as U.S. President Bill Clinton recently remarked—that these three objectives are now common to both Europe and the United States.

The Belgian commissioner believes that the important thing now is to convert the touchdown scored in GATT: "For instance, the agreement does not guarantee any opening of the Japanese market," he pointed out, highlighting that some obstacles remain, which are not even of a regulatory or legislative nature, but are rather of a "private," "psychological," or some other nature. "The imbalance is flagrant and this is becoming less and less acceptable," remarked Van Miert. "The Americans have understood this clearly, and it is they who from time to time turn on the heat vis-a-vis the Japanese partner."

On the other hand, the single market is far from being completed, added the former chairman of the SP [Flemish Socialist Party]. In the telecommunications sector: "A substantial amount of time was lost on the Americans and the Japanese." Even if there are only slight differences at the technological level, the sector is characterized by considerable tariff discrepancies, and both structural and organizational divergence. Too many member states are still wrapped up in their national monopolies, which constitutes a major "comparative disadvantage." By the same token, in the air transport sector—where some are advocating a break—there can be no going back, and Van Miert stressed that "headway must be made more rapidly," while at the same time asserting that "if the single market had been in existence 10 or 15 years ago, then it would have proven easier to emerge from the current crisis."

Social Dumping

The single market is also hampered by competitive devaluations and social dumping, to Van Miert's dismay: "If certain member states begin to manipulate monetary or social instruments, then we will find ourselves back in the situation of a soccer match where some players only use their feet, and others their hands, or head. That is the truth of the matter." With respect to the dossier on the steel sector, some episodes may only be described as "scandalous": "How can we negotiate," says Karel Van Miert rebelliously, "when each state has a right of veto, and certain parties occasionally deny the reality regarding the state subsidies which they are awarding?"

Nonetheless, the words of the former Commission vice president (since the end of December, under the terms of the Maastricht Treaty, there are now only two vice presidents in the Community executive: Manuel Marin and Henning Christophersen—L' ECHO editor's note) try to be optimistic. Whereas the European Commission was in rather a bad way one year ago, Van Miert maintains things have improved since then, especially by virtue of the entry into force of the Maastricht Treaty, the adoption of a strategy for recovery, the conclusion of GATT, and also thanks to the efforts of the Belgian presidency. In any case, the European Commission has not been weakened by the exercise involving the white paper. He observed: "It has been proven that, when called upon to draw up certain texts or to negotiate, the Commission can always be relied upon. Do you think that the Germans would have accepted the British haggling over GATT? Sometimes it is enough for a country merely to table a particular document for it to be systematically rejected by the others. That is why people turned to Delors for the white paper." Furthermore, Mr. Delors will not hesitate to point this out if there are attempts to "drown the fish," i.e., if the document is not followed up.

"The Commission must seize the opportunities that present themselves, without worrying about its popularity," concluded Van Miert. "Do you know that during the negotiation of the Eko Stahl dossier, the Germans from the eastern laender remarked to us that before they were bound to follow the instructions issued by Moscow, whereas now they are bound by those originating in Brussels. Criticism was already being leveled at the Commission at the time of General de Gaulle, and there are those who would have liked to see it disappear back then. Which is rubbish, because that would be tantamount to wiping out the entire Community...."

Eurofighter Agreement Signed in Madrid

LD2101230994 Madrid RNE-1 Radio Network in Spanish 2200 GMT 21 Jan 94

[Text] In Madrid, the air force chiefs of staff of Spain, Germany, the UK, and Italy have signed the document containing the technical features of the future combat aircraft that the four countries are developing jointly. The project was started in 1984, but the cost forced alterations to the project, which were confirmed by the air force chiefs today. Spain will order 87 aircraft, the first two of which will be delivered in 2000.

EC Tries To Defuse UK-French Row Over Airline Subsidies

AU2001160594 Paris AFP in English 1326 GMT 20 Jan 94

[Text] Brussels, Jan 20 (AFP)—The European Community tried here Thursday [20 January] to lower the temperature of a subsidy row between British Airways and Air France, insisting that British criticism did not amount to a formal complaint.

A spokeswoman for the EC's executive European Commission said that British Airways criticism about allegedly illegal state aid for state-owned Air France had been made in response to an existing EC inquiry.

She contradicted reports that British Airways had lodged a new complaint.

The privately-owned British Airways called on the Commission Wednesday to demand that Air France return a capital injection of 1.5 billion francs (253 million dollars) extended in the form of a bond issue and other securities.

The EC's executive had already begun a probe of the injection last November on the grounds that it might contravene regulations against state aid which distorted competition and would not be granted by private investors.

Air France has maintained that the bonds were taken up under normal market conditions, largely by an affiliate of the Caisse des depots et des consignations (CDC), a state-owned institution.

British Airways has been campaigning against further government aid for loss-making state-owned European airlines.

Malfunctions in Airbus A330; A340 Destroyed by Fire

BR2101151194 Paris LE QUOTIDIEN DE PARIS in French 21 Jan 94 p 9

[Unattributed report: "Bad Luck Dogs Airbus"]

[Excerpt] One after another, incidents are affecting the newest aircraft produced by the European consortium currently in service among French airlines. An Air Inter A330 periodically refuses to retract its landing gear, and an almost brand new Air France A340 was destroyed by fire on the ground yesterday.

Once again, malfunctions occurred with the first Airbus A330 delivered to Air Inter. While all the test and air trials were carried out normally, the aircraft—put into service early this year by Air Inter—is demonstrating a bad attitude. Last Monday [17 January], after taking off from Orly airport en route to Toulouse, the crew noticed that the landing gear was not retracting normally. The aircraft landed and the passengers were sent on the next flight, while the plane was subjected to a battery of tests supervised by technicians from the airline as well as from Airbus Industrie. Since nothing suspicious could be found, the aircraft was put back into service Wednesday.

A340 Destroyed on the Ground

Nevertheless, while the first flights of the morning went off without the slightest incident, the crew noticed just after the takeoff of flight IT-423 that the same symptoms were back. Once again, the landing gear refused to retract into its housing. One might think that the aircraft had become allergic to Toulouse, its place of birth. Since last September, Air Inter has performed many test flights without the slightest incident. According to Airbus Industrie, the incidents that occurred Monday and Wednesday are probably only due to a "simple adjustment." The fact remains, however, that this makes a bad impression. The Air Inter A330 is the first one delivered and put into commercial service, and the French airline still has yet to receive 15 units out of a total of 118 aircraft ordered from Airbus. The A330 is very similar to the A340, the only difference being the number of engines fitted onto the planes. The Air Inter twin-engined aircraft, planned for use on the busiest routes, are configured to carry 412 passengers.

The incidents that arose on the A330 following the two takeoffs from Orly are, however, completely different and less serious than the incident that affected a four-engined Air France A340. This is the long-haul version of the aircraft manufactured by Airbus Industrie, 117 units of which have been ordered and 22 already delivered and in put into service. The airplane, which had just been through one of its periodical technical checkups, was brought out of the maintenance hangar around 0100 [2400 GMT]. Four hours later, a fire broke out. Air France firemen, assisted by firefighters from Aeroports de Paris, brought the fire under control after fighting it for half an hour. Nevertheless, the fire had no impact on the airlines traffic, despite the fact that the aircraft was scheduled to fly at midday. The cause of the fire remains unknown, and the air transportation gendarmerie has taken charge of the investigation. [passage omitted]

EC Proposes Agreement To Cut Aluminum Overproduction

AU2301193094 Paris AFP in English 1918 GMT 23 Jan 94

[Text] Brussels, Jan 23 (AFP)—The European Community has proposed a draft agreement to cut overproduction of aluminium, with regard especially to Russian exports of the metal, at talks here, an EC spokesman said Sunday [23 January].

EC negotiator Joern Keck, who chaired the January 18-21 talks, said the draft memorandum of understanding should lead to cuts in overproduction of aluminium, which amounts to up to two million tonnes annually on a total of 18 million tonnes.

Details of the accord were not released, pending a response from the EC nations, Australia, Canada, Norway, Russia and the United States, which were asked to make their views known by next Friday.

The participants to the talks here agreed to meet again in Canada at the end of February, an EC spokesman said. The Brussels talks finished on Friday, but it took two days to prepare the memorandum, he added.

The European Commission, the executive arm of the Community, said that participants at the Brussels talks were "conscious that transparency and the availability of full and comprehensive data are essential for sound commercial decisions."

They agreed that the International Primary Aluminium Institute (IPAI) offered the "most effective mechanism" and Russia, in particular, had begun taking steps to cooperate fully with the IPAI, furnishing data with a view to membership, the statement added.

Other participating nations expressed readiness to help Russian industry in the process of integration into the world aluminium market on the basis of fair competition and high environmental standards, the statement said.

Overproduction of aluminium, especially following a massive rise in Russian exports, has led to a sharp decline in world market prices for the metal and an increase in stocks, which currently amount to more than three times world consumption.

Between 1990 and 1993, Russian exports grew five-fold from 300,000 tonnes a year to 1.5 million at particularly low prices.

The EC has decided to limit imports from Russia to 180,000 tonnes per year, including 45,000 tonnes for the period November 30, 1993, to February 28, 1994.

At the negotiations, the Russians called for the threshold to be raised to 320,000 tonnes, but agreed to revise their figures in exchange for financial and technical aid to restructuring and modernising the industry.

The talks here followed two previous rounds in Moscow and Washington at the end of last year that failed to lead to an agreement. On Friday, U.S. trade representative Mickey Kantor called on the European nations to show more flexibility with regard to imports from Russia.

EU Membership Talks: Vienna Outlines Final Positions

AU2001120194 Vienna DIE PRESSE in German 20 Jan 94 pp 1, 4

[Report signed "ett": "Vienna Fixes EU Positions"]

[Text] Vienna—At a "government summit" on 19 January, Austria's negotiation positions on the three major remaining problems—agriculture, transit traffic, and real estate transactions—were fixed for the negotiations on European Union [EU] membership. Officials subsequently told DIE PRESSE that consensus was achieved.

For agriculture, a "mixed system" is envisaged, containing elements of a single market concept and a concept involving transition periods. This is considered a defensible compromise variant.

There is also agreement on the settlement of transit traffic. Austria intends to accept the "environment-friendly" EC demand that bilateral transit traffic, which was originally not considered for the ecological point system, will now be taken into account. Austria now also intends to get a mixed model for the real estate issue (second home) accepted in the membership negotiations.

Regulation of Regional Planning

Specifically, this mixed model is a combination consisting of a regional planning regulation (including the ban of second homes through the dedication of land) and a regulation of real estate transactions (so that dedicated construction ground cannot be used for second homes).

In an interview with DIE PRESSE, foreign policy spokesman Andreas Khol of the Austrian People's Party [OeVP] said he assumes that "another great breakthrough" will be achieved at the EC Council of Ministers' meetings on 6 and 7 February. Then only "a few hard nuts" would still have to be cracked.

In addition to Chancellor Franz Vranitzky, Vice Chancellor Erhard Busek, Foreign Minister Alois Mock, and State Secretary Brigitte Ederer, Ministers Fischer, Lacina, Klima, and Weiss also took part in the detailed two-hour discussion on European Union.

In an interview with DIE PRESSE, Chancellor Vranitzky said regarding the EU time schedule that the government believes there is a "good" chance of completing the membership negotiations by March. Austria was trying to keep to this goal, said Vranitzky. Regarding the touchy problems that were still open, it would not have been necessary to agree on a common language: "We know anyway what we want."

In any case, the chancellor said in the interview, government contacts with EU member states would now be increased at the bilateral level. He will go to Athens on 26 January, because Greece is currently holding the presidency. Mock will be more active at the foreign ministers' level, said Vranitzky.

President Thomas Klestil said in a NEWS interview that a delay in the EU negotiations would be "regrettable, but not a tragedy." He said he believed, however, a referendum in June and a conclusion of the negotiations with the EU in March would be possible. He said, prior to the referendum, he would make his position very clear and would "comment very clearly on the pros and cons of the European Union."

The EU membership negotiations were also the focus of a statement made by Foreign Minister Alois Mock (OeVP) in parliament on 19 January. He said, if both sides really wanted it, the EU negotiations could be concluded by March. Austria would make "every effort" to achieve this. Mock: "It is a chance we are trying to take. We will see whether we will be successful." However, the government would in any case be guided by the principle that the negotiation result is important.

According to the foreign minister, the most difficult problems are related to agriculture, transit traffic, and second homes. But he was optimistic that they would be solved. Mock also made clear, however, that in the agricultural area, the financing problem could not be borne by Austria alone. Regarding real estate transactions, it was indispensable to protect housing requirements for the local people by restrictions in connection with the acquisition of second homes.

Mock Praises NATO Proposal

The foreign minister also dealt with the Partnership for Peace concept offered by NATO to all CSCE members. He said that this initiative, which implied a possibility for countries to make use of it in an individual way, was of particularly great importance for the Central and East European countries that are currently in a security policy vacuum. Since the stability of these countries is extremely relevant to Austria, Partnership for Peace would also have a favorable and important impact on Austria, said Mock. Austria welcomed this initiative, but was seeking security in integration within the EU, which also implied its "docking with the Western European Union."

Klestil Views Negotiations, Neutrality

AU2001191894 Vienna NEWS in German 20 Jan 94 pp 5-7

[Interview with President Thomas Klestil by unidentified NEWS reporter in Vienna; date not given: "Klestil: The Interview"]

[Excerpt] [NEWS] Over the past few days, political speculations that a positive conclusion of the EC negotiations will no longer be possible by early March and that the referendum on Europe might be delayed by almost a year have been increasing. Is this assessment also a result of your contacts?

[Klestil] First of all, on account of my contacts, I am sure that Austria is assessed in a particularly positive way in all EC capitals. We are treated as if we were already fully integrated. My second assessment is that we achieved an enormous success before Christmas regarding the question of the environmental package. It is an Austrian habit to always assess our successes very modestly—but a terrific thing happened. The European Union [EU] adjusted its lower environmental protection standards to that of Austria's. Thus, small Austria did not adjust itself to the lower environmental protection standards, but rather the big EC states adopted our particularly high environmental standards. This is an incredible success in the negotiations. If the same concessions are made to us in the remaining open questions, then the date in March may work out absolutely.

[NEWS] Do you believe that it is still possible to conclude the negotiations in March and carry out the referendum in June?

[Klestil] This target date is certainly very important because, on the one hand, it puts pressure on both sides and, on the other hand, it forces everyone to work day and night to achieve this date.

[NEWS] In your opinion, are the negotiations currently stagnating, or is this pessimism mere tactics?

[Klestil] It is certainly not tactics. There are really several very important open questions regarding the topics of agriculture and transit. In March, provincial diet elections will be held in the provinces that are affected most by these questions—for example, Tirol—which clearly complicates an objective discussion. But even without the pressure of these elections, the following would have been valid: The result is more important than the date.

[NEWS] There is also the attitude that we have to hurry with our entry because the situation in Russia might jeopardize Europe's security.

[Klestil] A delay would, of course, be deplorable. Precisely in view of the speedy change of the political situation around us, I would prefer all that to be settled in March. Therefore, both things are very important for me: that we achieve both the March target and the June referendum with great commitment and a result in the negotiations that is convincing and that one can present to the people with self-confidence. In the next few weeks, all our energy really has to be aimed at Brussels. The conclusion of the negotiations in March, a referendum in June, and entry into the European Community in early 1995—this would be the ideal schedule.

[NEWS] In the political scene in Vienna, there is currently a very decisive question: How much will you personally commit yourself to the European Community in the election campaign before the referendum?

[Klestil] First of all, I will have a close look at the result of the negotiations and exclusively assess it according to Austria's interests. I will then clearly give my opinion on this result of the negotiations. I will state my point of view on this question for or against the European Community. And the citizen can deduce a guideline from it, if he wants. I will state my point of view very clearly before the referendum.

[NEWS] In favor of the European Community.

[Klestil] My basic attitude toward the European integration process is known. I pursued it very consistently over the past few years.

[NEWS] What will happen if the negotiating teams do not achieve an agreement by March?

[Klestil] This will be deplorable, but it will not be a tragedy.

[NEWS] In that case, would you clearly come out in favor of advanced Nationalrat elections in June so that the referendum can take place in the autumn and the process of entry will be accelerated?

[Klestil] It is exclusively the business of the Nationalrat to decide when the Nationalrat elections will be held. It is not my task to give advice here, not in public.

[NEWS] And behind the scenes?

[Klestil] When my opinion was asked during my regular contacts with government members, I always stated it very openly.

[NEWS] That is, the advancement of the Nationalrat elections to the spring so that a new government can carry out the EC referendum unburdened in the autumn?

[Klestil] This is certainly a possible variant. However, by all means, the date by which we have to become an EC member is 1 January 1996. The main decisions on the political future of the European Union will be made in 1996. Joint security policy, joint foreign policy, and joint monetary policy will then be discussed—all decisive security questions. It is my wish that Austria will be able to participate in the decisions and have a say.

[NEWS] We are currently witnessing a race for NATO membership of the former East Bloc states surrounding us. You said two years ago that you think that neutrality presently is outdated, and you were criticized severely for it at that time....

[Klestil] I said that the State Treaty has to be considered fulfilled and, therefore, obsolete. Because otherwise there will be the danger that successor states of the Soviet Union suddenly will call for their rights as partners of Austria. The developments that have taken place so far have borne me out. Referring to neutrality, I said that it has to be adjusted to the new reality. If you have a look at the threats of today, which go far beyond the military sphere—floods of refugees, drug-related crime, organized crime—a new way of thinking is required in the field of security. Neutrality has never been an end in itself; neutrality serves security—and if a collective security system that serves security more than neutrality is developed in Europe, then one should be able to think about it. [passage omitted]

EU Offers New Transit Position

AU2101130294 Vienna DIE PRESSE in German 21 Jan 94 pp 1, 5

[Report by Otmar Lahodynsky: "New EU Transit Position"]

[Excerpts] The European Union (EU) shows itself ready to recognize the main contents of the transit agreement for a transition period for the entire national territory once Austria becomes a member. A new, joint proposal by Germany, Italy, and the Netherlands for the entry negotiations is making greater concessions to Vienna's requests than the Commission's former position, which wanted to limit the system of ecological points to sensitive alpine regions.

The new initiative, the complete written version of which should be presented as a new EU "joint position" next week, provides, however, for a shorter period—three years have been mentioned—for the ecological-points system, which was concluded to last until 2004.

Three years have been mentioned as the EU's position for the negotiations, while Germany would even accept a longer period. In the case of an eight-year transition period starting in 1995, the agreed reduction of exhausts to 40 percent would be achieved by the year 2002 according to the transit agreement that came into force in 1993. In the Council's enlargement group last Wednesday [19 January] there seemed to be a clear majority in favor of the proposal offered by the three countries most affected by the transit agreement. Some countries such as France or Spain have not yet commented but do not reject the initiative on principle. "Our proposal is certainly more interesting for Austria than the former one, because it sticks to those points of the transit agreement that are important for you, such as its nationwide applicability," an Italian diplomat told DIE PRESSE. [passage omitted]

Meanwhile, the transit issue is also straining ongoing negotiations between the five EFTA [European Free Trade Association] countries that participate in the European Economic Area [EEA] and the EU on adopting over 400 EU legal regulations, which have came into force in the EU since August 1991—the date set for the EEA Agreement. Austria rejects some of the new EU regulations regarding road-use fees or the transportation of dangerous goods as incompatible with the transit agreement.

Agreement Reached on Competition, Services

AU2301175094 Vienna DER STANDARD in German 22-23 Jan 94 p 4

[Report by Norbert Mayer and Thomas Mayer: "EU Locomotive at Full Blast"]

[Text] Vienna, Brussels—On Friday [21 January], Austria and the European Union [EU] reached agreements on another two of 29 chapters, namely competition policy and free trade in services. This means that 15 of the 29 chapters have now been ticked off. The major part of the remaining issues is to reach the agreement stage by the beginning of February. This means that from next week on, the accession locomotive will be running at full blast.

Chancellor Franz Vranitzky stressed the "enormous importance" of his visit to Greece, which currently holds the EU Presidency. The "big chunks"—agriculture, transit, and second homes—will become central issues. The Social Democratic Party's foreign policy spokesman, Peter Schieder, told DER STANDARD: "We will find a solution to all of these issues."

Vienna is preparing for the following compromise solutions: transit agreement to run throughout its envisaged period but including East European and domestic transport; domestic and foreign transport to be treated equally; no "sensitive regions" but nationwide applicability; increasing weight limit from 38 to 40 tonnes. For agriculture and second homes, transition periods of four to five years are envisaged. The talks on foreign trade policy were slowed down by Austria during Friday's negotiations. As Austria sees its brown coal mining endangered by imports from East Europe, it aims at a five-year transition period, which has been rejected so far by Brussels on the grounds of EU antidumping regulations. The chapter on customs union has also been completed apart from expiration dates on Austrian forms. The customs union will do away with country of origin regulations, which have been a great problem to Austrian exporters and have obstructed across-the-border processing.

In Brussels, a new working group has started formulating the first final agreements in order to avoid bottlenecks later on.

Vranitzky Rejects Busek's Idea of Regular Army

AU1901171994 Salzburg SALZBURGER NACHRICHTEN in German 19 Jan 94 p 2

[Report signed "pur": "Vranitzky Strictly Against Regular Army"]

[Excerpt] Vienna—On 18 January Chancellor Franz Vranitzky sharply rejected the idea of a regular army, which was suggested by Austrian People's Party [OeVP] Chairman Erhard Busek. The chief of the Social Democratic Party of Austria [SPOe] said that all objective facts speak against such a form of national defense; moreover, Busek's move had come "absolutely at the wrong time." The restructuring of the Army, which was agreed upon in 1992, would only be implemented in two years and, therefore, one could not think about introducing something new now. In addition, a regular army would be much too expensive and had not proven successful in other countries. Defense Minister Werner Fasslabend (OeVP) said it should not be forbidden to discuss the idea of a regular army. However, in view of the current threat, the strength of the militia army could not be reduced in the next few years. [passage omitted]

Thousands Demonstrate Against Racism in Vienna

AU2301194994 Vienna ORF Teletext in German 23 Jan 94

[Excerpts] On the first anniversary of the "Sea of Lights," a torchlight procession from Vienna's Ballhaus Square to St. Stephen's Square was organized by the "SOS Fellow Man" group to protest against isolating foreigners, underprivileged, and poor people ("Human beings come first"). A total of 5,000 people participated in the procession. [passage omitted]

In St. Stephen's Square, the number of participants increased to 10,000. During the final rally, writer Johannes Mario Simmel warned against newly developing right-wing extremism. He said: "The Nazis are on the advance like never before since 1945." He said the letter-bomb attacks in Austria are only a "preliminary culmination point." [passage omitted].

Czech Industry, Trade Minister Pays One-Day Visit

LD2001152894 Prague Radiozurnal Radio Network in Czech 1400 GMT 20 Jan 94

[Text] Vladimir Dlouhy, [Czech] minister of industry and trade, is on a one-day visit to Austria today. Marie Budhansova reports from Vienna:

[Begin Budhansova recording] Vladimir Dlouhy, minister of industry and trade of the Czech Republic, is in Vienna today at the invitation of the Austrian Government.

In the morning, Dlouhy met with Victor Klima, minister of transport and public works. According to Mr. Fojtik, the commercial counsellor of the Czech Embassy, the Austrian side was interested in questions connected with supplies of oil and gas to the Czech Republic, progress and details of privatization, and problems of the Czech metallurgical industry where Austrian firms are involved.

Minister Dlouhy was briefed by his hosts on the privatization of Austrian state industry—above all the OeMV company, which is entering the Czech market—and ways to achieve guarantees with regard to industrial investments and Austrian exports. At a joint discussion, he exchanged views and experiences with Austrian state sector businessmen.

Minister Dlouhy also met today with Vice Chancellor Busek and Economic Affairs Minister Schuessel. The ambassadors of the two countries were present. Dloughy is to end his one-day visit to Vienna by paying a courtesy call on Chancellor Vranitzky. [end recording]

Economic Institute Sees Signs of Growth in East Europe

AU1901142794 Paris AFP in English 1258 GMT 19 Jan 94

[By Jean Burner]

[Text] Vienna, Jan 19 (AFP)—Several countries in East Europe can expect to see fragile growth this year after five years of recession, but unemployment will also rise, experts at the WIIW economic research institute here said.

Poland, which in 1993 was the only country in the whole of East Europe to achieve growth, of about four percent, should continue to recover. Its gross domestic product (GDP) should grow by 4.5 percent in 1994.

This performance should be followed by that of the Czech Republic with growth of two percent and of Slovenia with one percent.

However, experts have calculated that in Poland, despite the growth, GDP at the end of 1993 was 14 percent below the figure for 1989 which was the last year of state-direction of the economy before the collapse of communism in East Europe.

Czech GDP was 25 percent below the figure in 1989.

Hungary, the favoured country for Western investment, would again experience zero growth this year, but Slovakia, Romania and Bulgaria would go through their fifth consecutive year of a decline in GDP of about two percent.

But this would represent a sharp improvement from a decline of about six percent in 1993.

The institute here was less optimistic about former members of the Soviet Union, chief among them Russia and Ukraine. It said that GDP in Russia would decline by seven percent and in Ukaraine by 12 percent. In 1993 their GDP figures had fallen by 15 percent.

Most of the countries in East Europe would also improve their performances on inflation. The Czech Republic might reduce its inflation rate from 21 percent to 11 percent, Poland from 39 percent to 28 percent, Slovenia from 30 percent to 20 percent and Slovakia from 23 percent to 18 percent.

But in Hungary inflation would rise slightly from 24 percent to 25 percent.

In the Balkans, it would fall to 55 percent in Bulgaria from 75 percent, and to 200 percent in Romania from 300 percent.

The main indicator weighing on the outlook was unemployment. Privatisation, and increase in the number of bankruptcies and a strengthing of corporate financial discipline, would increase unemployment further despite a general improvement in the economic situation.

Poland, leading the way to growth, would have an unemployment rate of 18 percent representing more than three million people, at the end of 1994. Bulgaria, Slovenia and Slovakia would have an average rate of about 18 percent. The rate of unemployment in Hungary and Romania was likely to stabilise at about 12 percent.

The Czech Republic, owing to an ingenious system of early retirement and strong growth in the private sector, should achieve the best result with a rate of seven percent.

Another worrying aspct of these economies was the trade deficit which appeared in 1993 and was likely to increase this year, the economists said.

The institute said that it expected the overall deficit for the seven countries to total 7.2 billion dollars from 6.8 billion dollars in 1993.

Hungary and Poland, which in 1992 had achieved spectacular surpluses, would be the most affected. Hungary was likely to report a deficit of 2.7 billion dollars and Poland of 1.9 billion dollars.

Exports to industrialised countries were likely to increase slightly but imports would again rise strongly.

Belgium

Coeme Explains Reasons for Resignation

LD2101132294 Brussels La Une Radio Network in French 1200 GMT 21 Jan 94

[Excerpt] Deputy Prime Minister Guy Coeme was in principle due to be heard at 1300 hours by the special commission of the chamber in charge of dealing with the lifting of his parliamentary immunity. But there was a surprise late this morning. We first heard that Guy Coeme was going to make a statement to the press at his office at 1215 hours, that is 45 minutes before his hearing by the commission of the chamber. Then, at 1209 hours, a communique from the royal palace said this: On the proposal of the prime minister, the king has accepted the resignation of Mr. Guy Coeme from his post of deputy prime minister, communications minister, and public companies minister. Guy Coeme explained his resignation just a few minutes ago. I invite you to listen to extensive excerpts from his statement:

[Begin Coeme recording] I have decided of my own free will to renounce my ministerial duties. I was wrong to believe that when one is innocent one has nothing to fear. I was wrong to believe that I could work in serenity while defending myself. I will have to face an increasingly fierce fight every day. It is a political fight, because this affair has become political. It is a fight against the media, which is fed by rumors, lies, and slander. I am disgusted. As this climate is not my doing, I think I cannot pursue my ministerial duties with the necessary serenity.

I am clear-minded. I don't want the government to suffer from this; I don't want my party to suffer from this, and, above all, I don't want the population to suffer from this, because I can no longer work under normal conditions to serve the people. My freedom will allow me to defend myself with all my energy to bring the truth to light.

My innocence will be proved. I am going to the special commission of the chamber to reaffirm that there has been no forgery and no use of forgery, that nothing illegal has been done, and that there is absolutely nothing to blame me for. My conscience is clear. [end recording] [passage omitted]

Other 'Leading' Socialists Resign

AU2101162594 Paris AFP in English 1608 GMT 21 Jan 94

[Excerpt] Brussels, Jan 21 (AFP)—Two leading socialist officials of Belgium's French-speaking regional government resigned Friday [21 January], a few hours after Belgian Deputy Prime Minister Guy Coeme, after being embroiled in a bribery scandal.

Guy Spitaels, former Francophone Socialist Party president and president of the French-speaking regional government, and Guy Mathot, another member of that government, announced their decision to the press just two hours after the Royal Palace announced Coeme's resignation.

The three leaders had been accused of taking bribes and channelling funds to the Socialist Party in connection with the 1988 purchase of 46 Italian Agusta helicopters for the Belgian Army.

Coeme, 48, was defence minister at the time of the 225 million dollar purchase. [passage omitted]

SP To Remain in Governing Coalition

LD2201110894 Brussels Radio Vlaanderen International in English 1000 GMT 22 Jan 94

[Excerpts] The Francophone Socialist Party, PS, has decided not to quit the governing coalition despite the resignation from office of three of its senior members. [passage omitted]

Their party, the Parti Socialiste, held an emergency meeting on Friday evening [21 January]. The party leadership decided not to quit the government, though it did not name successors to the three resigning ministers.

According to PS Chairman Philippe Busquin, his party is outraged that the whole affair has been politicized. The party also regrets that their Flemish coalition partners, the Christian Democrat CVP and the Socialist SP, refused to confirm their confidence in the deputy prime minister.

Mr. Busquin said the reason the PS is not quitting the government is primarily due to concerns about the social security system. The PS feels the system may be destroyed, and it wants to protect it from within the government.

Meanwhile, it has emerged that the anonymous witness in the Agusta corruption scandal is Mr. Philippe Moreau, who is also a member of the Francophone Socialist Party. The witness was identified yesterday by Mr. Coeme himself. Earlier, Philippe Moreau had been heard by a magistrate of the Supreme Court. His statements were damaging to both Guy Coeme and Guy Spitaels, but less so than it was assumed at first. Mr. Moreau did confirm that his two party colleagues told him personally that Agusta was prepared to pay a bribe in order to win the helicopter contract, but he denied that Mr. Spitaels and Mr. Coeme sent a courier to Luxembourg to collect the money. [passage omitted]

Dehaene Says Government To Remain

AU2201205294 Paris AFP in English 2022 GMT 22 Jan 94

[Text] Brussels, Jan 21 (AFP)—The centre-right coalition government in Belgium is to remain in power despite the resignation of Deputy Prime Minister Guy Coeme after he became embroiled in a bribery scandal, Prime Minister Jean-Luc Dehaene said Saturday [22 January].

After meeting the leaders of the four coalition partners, Dehaene said in a statement that they "wish the government to continue its work."

Two other leading socialist officials of Belgium's French-speaking regional government resigned Friday, a few hours after Coeme.

Guy Spitaels, former Francophone Socialist Party president and president of the French-speaking regional government, and Guy Mathot, another member of that government, announced their decision to the press just two hours after the Royal Palace announced Coeme's resignation.

The three leaders had been accused of taking bribes and channelling funds to the Socialist Party in connection with the 1988 purchase of 46 Italian Agusta helicopters for the Belgian Army.

Coeme, 48, was defence minister at the time of the 225 million dollar purchase.

A judicial investigation was launched after the assassination of former Socialist Party President Andre Cools on July 18, 1991.

In an article entitled "Is a fuse necessary?" the influential newspaper LA LIBRE BELGIQUE wrote Friday that the affair had caused dismay in the centre-left coalition of socialists and christian-socialists which backs Dehaene's federal government.

Dehaene Reshuffles Cabinet Amid 'Kickback Scandal'

AU2301135194 Paris AFP in English 1221 GMT 23 Jan 94

[Text] Brussels, Jan 22 (AFP)—Belgian Prime Minister Jean-Luc Dehaene reshuffled his cabinet Sunday [23 January] following the resignation of the deputy prime minister amid a lingering kickback scandal.

Dehaene had said Saturday that his centre-left coalition would remain in office despite the departure of his deputy Guy Coeme, who stepped down after being implicated in a scandal over a 1988 government helicopter contract.

A statement from Belgium's King Albert II said Elio Di Rupo, culture minister of the country's French community, was named to replace Coeme as deputy prime minister, minister of communications and public enterprises.

Magda De Galan, former minister of social integration, health and environment, was named minister of social affairs.

Jacques Santkin, a member of parliament, was named minister of social integration, health and environment. Jean-Maurice Dehousse will be in charge of infrastructure while conserving his post as minister of science policy, the statement said.

Agusta Scandal Calls For Urgent Measures

BR2101131894 Brussels LA LIBRE BELGIQUE in French 21 Jan 94 p 1

[Commentary by Guy Daloze: "A Necessary Fuse-Wire?"]

[Text] Pick up your newspapers again: For the last 20 days, public life has revolved around nothing but the Agusta affair, blotting out all other problems, such as the global pact, unemployment, budget control. It's not that the journalists are short of ideas or copy. But all of rue de la Loi is seemingly paralyzed, unable to really concentrate on anything else. And rightly so, as the affair raises so many political and ethical problems, as the impact assumes growing importance and is now touching upon the very future of our democratic system. And it is going to continue. It is impossible to settle just like that, with just a few statements of principle, an affair which has kept the legal profession busy for two and one-half years.

And that is the whole problem: Our country cannot afford the luxury of such a paralysis, especially saince it is accompanied by the harbingers of a crisis. Since the debates by the Chamber of Deputies and the "signals" which its partners have sent to the PS [Socialist Party], in practice the coalition has ceased to exist in parliament while Jean-Luc Dehaene gives no more than half-hearted support for his first deputy prime minister, Guy Coeme. Especially also as the damage increases: Public opinion is becoming increasingly scornful of politicians, certain journalists are happy to rely on anonymous informers to launch scathing attacks, and a party as important as the VLD [Flemish Liberals and Democrats] does not hesitate to play the dangerous card of an extreme right- wing, antiparliamentary formation.

Government paralysis, coalition in danger, deteriorating climate and attitudes: The diagnosis is clear and calls for urgent measures. We respect the right to defense and the presumption of innocence. But we know that a nation, a community, a party, and a coalition cannot remain insensitive to the concept of greater interests. As the politician responsible for the helicopter affair, Guy Coeme has but a few days to convince. Or to resign: Fuse wires are sometimes necessary.

Netherlands

MP Demands Minister Resign on Grounds of Being Jewish

AU2001205194 Paris AFP in English 2025 GMT 20 Jan 94

[Text] The Hague, Jan 20 (AFP)—Dutch MP Hans Janmaat caused an outcry Thursday [20 January] with remarks to be published in the weekly magazine

ELSEVIER in which he called for the resignation of the justice minister on the grounds that he is Jewish.

Janmaat, sole parliamentary representative of the Centrum Democrat party, said of Ernst Hisch Ballin: "For Jews to be nomads, fine, but that they should enjoy public office, no."

He added that it was natural that Ballin's parents should flee Germany during the Nazi persecutions, "but why did he come to the Netherlands?"

Judicial officials said that Janmaat would be charged with racist and discriminatory comments.

A Justice Ministry spokesman said Ballin would make no comment on Janmaat's remarks.

In the same interview, Janmaat attacked the junior minister for agriculture, Dzsingisz Gabor, on the grounds that he was born in Hungary. Political life should only be open to "Dutch citizens of at least three generations standing," he said.

Amsterdam Mayor Resigns for National Post

BR2101164094 Amsterdam DE VOLKSKRANT in Dutch 17 Jan 94 p 1

[Unattributed article: "Political Parties Are Already Wrangling About Van Thijn's Successor"]

[Text] The appointment of Amsterdam Mayor E. van Thijn as home affairs minister is uncontested in national politics. The large parties value his administrative qualities. But his departure from Amsterdam has launched an immediate struggle over the question of which political party is to supply his successor.

D66 [Democrats 66] says that given polls of voters' intentions, it is no longer self-evident that the PvdA [Labor Party] should provide a candidate. D66 holds few mayor's positions and none in the four large cities. The fact that VVD [People's Party for Freedom and Democracy] alderman P. de Grave is to become acting mayor has raised questions, because De Grave is also the VVD's leading candidate in the municipal elections.

On 15 January the cabinet voted unanimously in favor of the nomination of Van Thijn to succeed minister Dales, who died last week. PvdA party leader and Deputy Prime Minister Kok said that in his view Van Thijn "was the first choice and the best candidate."

Van Thijn has much political and governmental experience and briefly held the position of home affairs minister in 1981. Last weekend Kok let there be no misunderstanding that he wanted a heavyweight like Van Thijn to strengthen the PvdA in the forthcoming parliamentary elections and the subsequent formation of a government.

Van Thijn had planned to give up his position as mayor no sooner than next year, when his second term of office was due to end. Kok put an end to the plan. "The PvdA needs you," he told Van Thijn. The party leader also wants him to remain minister in the following cabinet should the PvdA participate in government. "Although you can neither give nor ask for guarantees on that sort of thing," Kok said.

Prime Minister Lubbers said on Saturday [15 January] that Van Thijn's appointment would present Amsterdam with problems, just before the municipal elections. "But that was no reason not to appoint him," Lubbers said. "The problem would have occurred soon anyway, because he had indicated that he did not want a third term in office."

Today Van Thijn will resign formally as mayor and will be sworn in tomorrow by Queen Beatrix. Lubbers did not want to speculate on the political color of the future mayor of Amsterdam. "In the first place that is a question for the Queen's commissioner in North Holland, who is approaching a successor in consultation with the municipal council."

Visiting Hungarian Minister on Economic Developments

BR2101164294 Amsterdam HET FINANCIELE DAGBLAD in Dutch 20 Jan 94 p 9

[Report on interview with Hungarian Industry Minister Latorcai by J.F. Hinrichs; place and date not given: "Hungarian Industry Minister Wants No Devaluation, but Greater Efficiency: 'The West Pays Too Little Attention To Us'"]

[Text] The attention paid to Hungary has somewhat decreased in recent years. While Communism reigned, Hungary was the conspicuous, stubborn little reformer. Now it is the only country where the economic reforms can be continued normally, without resulting in any major shocks. Whereas the reforms carried out elsewhere have caused necessarily large and spectacular shocks, Hungary had already made extensive preparations "on the way to the market."

Hungary is also the only former Socialist country where an active industrial policy does not mean that the previous planners are trying to retain their grip on businesses. Hungary is conducting an industrial policy in the Western sense. On Tuesday [18 January] and Wednesday, the Hungarian minister of industry and trade, Mr. Janos Latorcai, visited the Netherlands, where he met with Ministers Andriessen and Alders, and with Secretary of State Van Rooy, was a guest at Akzo, and had a meeting with various Netherlands bankers.

Latorcai said that Hungary's industrial policy comprises five main subcomponents. "Privatization is of major importance. A large number of companies still has to be transferred to the private sector. Then there is a considerable number of companies which are too big, and which we are splitting up into smaller units. We are encouraging companies to improve their technology and to develop new products. Then, we want to attract technological know-how and money from the West. And we are trying to encourage people to change their attitude."

The companies which have invested in exports to Eastern markets in recent years have all run into financial problems. As Latorcai put it: "We have a strategy aimed at reducing corporate debt in a manner that is compatible with the market. One of the instruments for doing so is to turn debt into shares. Sometimes one part of the debt can be eliminated. Since 1991, the policy has been that companies have to find a solution to their problems, otherwise they will go bankrupt." As a result, dozens of companies have gone bankrupt, unlike in other East European countries.

It is striking that unemployment is nonetheless clearly on the decline. In February last year, unemployment peaked at a level of 700,000; in December there were still 620,000 unemployed. Thus, the level of unemployment decreased from 13.6 to 12.1 percent, a drop that is unique in East Europe.

According to Latorcai there is talk within industry of further, considerable increases in productivity: "With a 4-percent growth in industrial production during 1993 we still lost 100,000 jobs. Last year, production in industry increased by 10 percent. The services sector—and tourism in particular—made up for this to some extent."

Hungary is implementing a strict monetary policy to keep down the rate of inflation, which was rated at 22.5 percent in December. One of the elements of that policy is that devaluations of the forint have been strictly limited. Although he is very happy with this in his capacity as industry minister, are Hungarian companies not complaining loud and clear about their position regarding exports?

Latorcai responded: "Monetary policy must be seen as one part of a whole. It may well be that industry is complaining, but if further devaluations are made to stimulate exports, then that will only help in the short term. In the long term we are concerned with costs, productivity, and the development of new products. Devaluations freeze the technical inferiority of companies and only set companies even further behind."

Hungary, which borders Yugoslavia, Romania, Ukraine, Slovakia, and Austria, is an island of stability in a sea of war and political unrest. As Latorcai puts it: "That is the sad truth, and it means that we have poor sales markets in our immediate vicinity. The war on our southern border and the embargo on Yugoslavia is costing us pots of money."

And then he switched over to the favorite subject of every member of the Hungarian Government. He hastens to reiterate that none of this is preventing foreign capital from flowing into Hungary in abundance. In 1993, foreign investments totalled $2.2 billion, compared with $1.7 billion in the previous two years. Over five years, a total of $7 billion has been invested in Hungary. "That," maintained Latorcai, "certainly means something. More than half of what has been invested in East Europe has gone to Hungary."

After the disintegration of the Habsburg empire, Hungary shrank considerably in geographical terms, leaving large Hungarian minorities in its neighboring countries. These total five million, and their plight has been a continual source of tension since the fall of Communism. Several of Hungary's neighbors are now maintaining that Budapest wants to change its borders.

The minister left no doubt as to the fact that the government in Budapest is not advocating border changes. "However, we do feel responsible for the Hungarians in our neighboring countries, and we are demanding that their rights be respected, that there be no discrimination, and that they are given the chance to speak their own language, and be educated in Hungarian."

Latorcai says that his government is maintaining normal contact with the government of nationalist [President] Meciar in Slovakia: "We are always ready to take the first step in our contacts with Slovakia," he claimed. In May there are general elections, and there would seem to be a good chance of the present tripartite coalition losing its majority. Is it conceivable that the ultranationalist Istvan Csurka, who wants the question of Hungary's borders to be discussed, will be included in the coalition? Latorcai claimed not: "The coalition wants to exclude extremists."

However, he was not enthusiastic regarding the attitude adopted by the West in the recent debate on the extension of NATO, saying—diplomatically—that Budapest regards the Partnership for Peace as merely a first step along the road to full membership. However, he had to concede that absolutely no guarantee had been given. "West Europe places too much emphasis on regions that are much further afield," he said. "It is a mistake to overlook us. If something goes wrong in East Europe, then West Europe will not escape the consequences. There is now a possibility to do away with the distinction between East and West Europe. We must seize this opportunity."

Rifkind Confirms Bosnia Withdrawal Consideration

LD2301162694 London PRESS ASSOCIATION in English 1539 GMT 23 Jan 94

[By Gavin Cordon, PRESS ASSOCIATION]

[Text] Defence Secretary Malcolm Rifkind today confirmed that Britain may pull its troops out of Bosnia in the summer. He said the withdrawal of the 2,500-strong British contingent serving with the UN Protection Force was being seriously considered by the Government. However, speaking on LWT's [expansion unknown] Walden programme, he stressed that no decision had yet been reached.

His comments would appear to go further than those of Foreign Secretary Douglas Hurd who, on a visit last week to the British UN force, said simply that no decision on withdrawal was "imminent."

Mr. Rifkind said British troops had helped saved tens of thousands of lives and any withdrawal move would be taken only in conjuction with Britain's UN partners. "It is certainly an option that countries—not just the United Kingdom—are having to look at very seriously," he said. "There are very powerful arguments both for staying in Bosnia and there are some powerful arguments for withdrawing."

He denied that his comments were intended to prepare the ground for a decision to pull out that had already been taken. "We are certainly indicating the possibility that that may be the sensible thing to do, but that reflects the reality of what has happened over the last year or so," he said.

"We have not even taken any view in principle as to the desirability of withdrawal. What we have said is that the circumstances are deteriorating—the situation has got more difficult. On several occasions we thought there was a possibility of peace between the various warring factions that would enable the situation to begin to materially improve but that is not happening.

"It is therefore inevitable that the countries do begin to address the question as to where the balance of our moral duty—as well as our political common sense—lies."

He said the UN operation had been successful in terms of distributing aid to thousands of people who would otherwise have starved to death. "At a humanitarian level, the UN has been more successful in Bosnia than in probably any other civil war in recent years around the world," he said. "It is for that reason one can't simply rush to the judgment that withdrawal must be the option to pursue."

However, there was an argument that the UN's presence was prolonging the conflict by enabling protagonists, who would otherwise be forced to seek peace, to carry on fighting.

"If we came to the sad but undeniable judgment that the UN presence was actually prolonging the war then obviously the course of action we would have to follow would then become much clearer," he said.

In reaching a decision, the Government would have to consider whether troops were still able to carry out their mandate to distribute aid and whether the risk to British forces was still "acceptable."

Mr. Rifkind defended Lord Owen's role as the European Union's mediator in Bosnia, following the European Parliament vote that he should be replaced.

"I don't think anyone could fault the commitment, the dedication and the integrity that Lord Owen has shown during the period that he has been the mediator," he said.

"On one or two occasions it has looked as if he might almost have been able to pull off a settlement but what has become sadly obvious is that at this moment in time the will of the three factions in the fighting is not in favour of reaching a settlement."

Later, Liberal Democrat leader Paddy Ashdown said it would be "unthinkable" for Britain to pull out of Bosnia unilaterally and cause the humanitarian operation to collapse.

But he told the BBC TV On The Record programme that it was quite possible, once the spring offensive got under way that "the only thing left to us will be to withdraw".

He said: "Mr Major might like to reflect that he is not going to be left out of the opprobrium. Here is a Conservative Prime Minister who devalued the pound, raised tax more than Labour and whose total failure of policy has led to British military withdrawal.

"I have always said that if we did not act, and act strongly, then at the end of the day we would have no action to take but to withdraw. Any action we now take is more dangerous and more risky than if we had taken it two years ago."

Hurd Views NATO Summit in Brussels

PM2101150694 London THE DAILY TELEGRAPH in English 21 Jan 94 p 19

[Article by Foreign Secretary Douglas Hurd: "The Answer Is Yes"]

[Text] It might seem rather odd, in the midst of my visit to the turmoil in Bosnia, to say that the world is a little bit safer this week. However, that, I believe, is the outcome of last week's NATO summit in Brussels.

Summits are odd creatures. An EC summit, however well prepared, is always an occasion for some jousting between the great ones on the second morning. NATO summits come less often, and are even more intensively prepared: officials hope that in this way the summit will be a stately dance with no trip-ups or stumbles.

This last summit in Brussels was admirably prepared. But the questions before the Alliance, quite apart from the essential discussion of Bosnia, were so fundamental that they could not be handled in a routine way. It came out well. The main decisions are fundamental to the future security of Britain. Would the idea of the Atlantic Alliance hold? Would the allies show the imagination needed to extend security across our continent? Could NATO adapt itself to the new disorders which have largely replaced the old Armageddon scenario of East versus West?

The summit answered yes to all three questions.

Much depended on President Clinton. He reaffirmed unequivocally the American commitment to Europe and the Atlantic Alliance. He made clear that 100,000 American troops would remain in Europe to buttress the peace and stability which we have enjoyed for more than 40 years. Of course the United States is hugely interested in Asia. But we can now have a truce to the stories that interest in Asia means neglect of Europe.

It is a measure of NATO's success that we tend not to think about it very much. NATO is just there, getting on with its job. Few institutions do their job so confidently and effectively. Without NATO, we could not have protected our freedom from communist expansion.

American servicemen in Europe are the most tangible expression of that commitment. The voices raised against that presence are reassuringly few. Anti-Americanism is out of fashion on the European Left. Isolationism in the U.S. is still confined to small pockets within the Democratic and Republican parties.

The European willingness confirmed at Maastricht, to build up the European pillar of the Alliance has shown sceptical Americans that we are serious about sharing the burden of collective defence. The closer French involvement in dialogue with the Americans and in the new work of the Alliance is good news for us all.

But there is another reason for America's renewed commitment to the Alliance: it is the sight of new democracies knocking on NATO's door. The United States will not invest money, troops and political attention in the European continent simply to protect rich West Europeans. During the Cold War it was NATO's task to defend the line dividing freedom and communism against encroachment from the East. It did that well; but now the line has evaporated and the task has changed.

Since 1989, people have looked to NATO to extend security and stability to the new democracies of Central and East Europe. That is in Britain's interests. If we want to reduce the risk of war in West Europe we have to tackle the causes of insecurity and instability in the East.

How, then, to respond? NATO has taken in new members before—Greece, Turkey, Germany and Spain. There is no bar in principle to its enlarging again. But enlargement is a serious undertaking—more, perhaps, than some seem to realise. The NATO treaty says an armed attack against one signatory should be considered an attack against them all.

Britain has gone to war twice this century in Europe on behalf of others. Through NATO we would be ready to do so again if necessary. But a decision to extend NATO's territory and commit our troops to the defence of new borders cannot be taken lightly. We are not talking about membership of a social club.

Deep down we know NATO cannot remain closed. I do not see how we could deny to other Europeans the benefits which NATO has brought us. The summit recognised this. It took decisions which opened the clear perspective of NATO's eventual enlargement. We agreed it would require great care: the object, after all, is to strengthen peace and stability in Europe.

Any hasty decision about who does and does not belong to NATO risks creating a new division in Europe. We do not want to set Russia's teeth dangerously on edge. Hence the idea of Partnership for Peace, which everybody, including Russia, is invited to join on the basis of shared democratic principles and military co-operation.

The idea is simple: all members of the old Warsaw Pact will have the chance to enter into individual partnership programmes with NATO. Each country possesses different military assets and different experience, so each will choose different dishes from the NATO menu. Each will undertake, with NATO, to meet specific political objectives.

These could include joining international treaties, civilian control of the military, transparency in defence budgets. In return, NATO will draw each partner into its mechanisms for planning, training and consultation. If partners are ready to participate, we would hope to involve them in NATO-led peacekeeping operations.

This is a sensible and practical way forward. It means that NATO is committed to the principle of enlargement, but we are not determining in advance who or when or under what precise conditions.

So the summit has left us much clearer about how to handle our friends in Central and East Europe. Some of those friends would have liked us to go further. All accept that we have moved a good way. We also talked in a new way about how to handle the threats we face. Most of the security threats we can foresee will require a mobile and flexible response from NATO, as the Gulf and Bosnian conflicts have shown. Peacekeeping and humanitarian operations will become more frequent but not easier.

NATO should be able to deploy forces overseas on international missions and involve non-allies if we wish. Not all the NATO allies need be involved on every occasion. For example, European forces within NATO could deploy with Alliance support if the U.S. sees no immediate interest and it is agreed that the Europeans should lead.

So the summit endorsed the idea of a Combined Joint Task Force headquarters. These could run operations to be carried out by NATO, or if that was what we all decided, by, for example, the European members of NATO. This means that as the new European common foreign and security policy gradually takes shape, built brick by brick on particular decisions, there will be means within NATO to carry out European decisions.

The Western European Union is the link between the two. It sounds complicated because it is complicated, and much work still needs to be done on the linkages. But the agreement in Brussels last week means that there is no question of NATO being sidelined. The Atlantic and European institutions grow side by side.

One benefit is that France—which for many years kept its distance from NATO's military activities—will now play a larger role in Alliance operations, as she has in Yugoslavia. I welcome this. Britain and France already both move effectively together as substantial European military powers.

FinallY, we agreed that preventing the proliferation of weapons of mass destruction is one of NATO's main aims. We want to see an indefinite extension of the Nuclear Non-Proliferation Treaty. The Americans have notched up a great success in bringing the Russian and Ukrainian governments to an agreement on nuclear warheads in Ukraine.

It is easy enough to reaffirm faith in NATO with eloquent speeches. Rhetoric is the bugbear of modern diplomacy. But this summit did more than that. It took decisions which will ensure that it remains supple. It showed that NATO is willing to contribute to security throughout Europe. It showed that the future of NATO can be as impressive as its past.

Sinn Fein Leader Discusses Peace Initiative

LD2401115394 Dublin RTE Radio One Network in English 1300 GMT 23 Jan 94

[Interview with Gerry Adams, Sinn Fein president, by David Davenpower, in Belfast on 22 January—recorded]

[Text] [Announcer] It is nearly six weeks now since Albert Reynolds and John Major issued their Downing Street Declaration aimed at securing a cessation of violence in Ireland. But there's still no sign of the Republican movement coming up with its response. Britain insists it won't clarify the document for Sinn Fein, but that party says it cannot decide its position without clarification. The past week has seen the two governments attempting to put fresh impetus into the initiative. Also in the past week, it became possible legally to broadcast interviews with members of Sinn Fein for the first time in 21 years. So, when our northern editor, David Davenpower, met the Sinn Fein president, Gerry Adams, in Belfast yesterday, he asked him first to respond to the observation of the deputy leader of the SDLP [Social Democratic and Labor Party], Seamus Mallon, on the issue of self-determination. Mr. Mallon had said that under that heading, there wasn't a whisker of a difference between the declaration in Downing Street and the Hume-Adams document.

[Begin recording] [Adams] Well, Mr. Mallon is wrong. And, I mean, one has to be a bit patient because in all these matters party political people, especially people in leadership, always have a temptation to advance their own party political platform. So, obviously, if Mr. Mallon was right the IRA leadership, which last year endorsed what was called the Hume-Adams, surely having endorsed that they would have speedily moved to embrace the Downing Street Declaration. John Major rejected, in a very public way in the British House of Commons, and insulted in a very public way John Hume, and at Brussels did exactly the same thing in the joint communique. So he clearly saw a difference between what is called Hume-Adams and what is now the Downing Street Declaration [words indistinct] put the thing back. And this is quite clear, if the British think, genuinely seriously think that Sinn Fein is playing for time, why don't they call our bluff. We are not playing for time. The British Government have never engaged positively on this issue since we started to move forward on a peace process. And we shouldn't go into side tracks around this. We live here. Major doesn't. Major is a lame duck prime minister. A man who goes from scandal to scandal, from crisis to crisis ....

[Davenpower] That's all very well, Gerry Adams, but just spell out for us, if you will, this crucial difference between the Hume-Adams principles and the Downing Street Declaration. Where's the problem?

[Adams] Well, the, first of all, first of all, if there is no difference, or if those who say there is no difference, they should then clarify what is clearly not obvious at the moment. Secondly, if there is only a narrow gap, or even if there's a wider gap, we must move to bridge that gap and if the governments move I will respond positively to the move also.

[Davenpower] We know all this, but what is the difference?

[Adams] Well, I'll tell you the difference now, but what I'm pointing out is, notwithstanding the difference, that we must move to bridge the difference. Now, what was envisaged in the Irish peace initiative and what was outlined was that the Irish people as a whole, exercising the right to self-determination, the British Government accepting that as a policy objective, the Dublin government accepting that as a policy objective, and within a broad time frame, which wasn't agreed, but within a broad time frame, moving us all in that direction. In other words, the British joining the persuaders. The

British moving, with Dublin. And all of it done in consultation with ourselves and seeking the consent and the maximum consent and participation of the Unionists. Now that clearly, if that is contained in the Downing Street Declaration, then I wish, I am anxious, I want to be convinced that that is the case. The standoff from my point of view is intolerable. It's silly and it's bizarre that a British Government which says it has a settlement won't explain the basis of that settlement.

[Davenpower] But most of what you've outlined is in fact contained in Paragraph Four of the Downing Street Declaration. If we just refer to here the relevant section is that the British Government agree that it's for the people of the island of Ireland alone, which is what you want, by agreement between the two parts respectively, to exercise their right of self-determination, and the British Government's representative here, Patrick Mayhew, has further said that any conclusion is possible as a result of that act of self-determination—even a united Ireland if that's the conclusion, so be it.

[Adams] Well you see, well that is making, if I can say so, a virtue out of a necessity. If the Irish people have the right to self-determination it isn't up the British to have any say in how that right should be exercised or even to put in any predetermined end to that. But the questions which, David, which run from that—I mean are we now to accept that the six-county state is a nation, that the six-county state has the right to national self-determination, or are we to accept that a united Ireland is dependent upon Patrick Mayhew. What, if the Irish people have the right to self-determination of course we have always had that right [as heard]. I mean Ireland has only been divided for the last 70 years and if the right's been denied us how do we exercise that right?

[Davenpower] If that's the nub of it then, you want a vote—an all-Ireland vote—on the same day to decide which way the island proceeds politically?

[Adams] Well, we cannot even collapse the principle of national self-determination into one of being a mere vote. National self-determination is the right of a people, of a nation, without any outside impediment to determine their own, as far as their own economic affairs, their own political affairs, their own social affairs. Now that is self-determination in terms of the United Nations and of other universal declarations and of how it has been exercised now.

And in any of the discussions which, for example, John Hume and I had, we said that the Irish people as a whole have the right to self-determination, we said the majority of people of Ireland accept this, we said that there is not agreement on how that should be exercised: that part of our task has to be to agree on how that right should be exercised.

But one thing is clear, from any democratic position the British Government have no right to any say in how the people of this country, 32 counties of this country, exercise our right to decide our own future, and that is bedrock, and for the British to, on the one hand, address that issue and then, from the other hand, to appear to be qualifying it so heavily as to predetermine the future, appears to me to be so vague and so obscure and so semantical that it needs clarification.

[Davenpower] But what are you going to do with the million Protestants, the million Unionists, living in this part of the island of Ireland, who don't want to know, and whose property and whose businesses are being blown up by people in your name just this week?

[Adams] Well, first of all, the Unionists have no reason to move, none whatsoever. For the last 70 years and before that, but particularly for the last 20 years, the Unionists' position has been underwritten by British governments. Until the British Government joins the persuaders, until the British Government says to the Unionists—your future rests with the rest of the Irish people, and we want to help to bring that about, we want to move, we want to cooperate—now we as Republicans and Nationalists and everyone else have to appreciate the real concerns that Unionists have about their future in an all-Ireland context, and I think we have to be flexible, and I think that we have to reach out, and I think that we have to develop a whole process of what we have called national reconciliation.

Now, the conflict that has consumed everyone here for the last 20-odd years, no section of the people here have any monopoly on suffering out of that. Every section of our people in this state and the people in Britain, and people throughout all of Ireland have suffered as the result of the institutionalized violence, the wide range of armed actions by all of the factions involved, and the complete disruption of life in this state, so that must be brought to an end.

[Davenpower] But still, effectively, don't those million Unionists represent a million vetoes? Don't they actually hold, they can in a practical way, block political progress along your chosen road?

[Adams] Of course they can, and they have been doing so. But what about the Nationalists in this state? Have the Nationalists consent? Is it not required? Is a Nationalist—is there a Nationalist veto going to be awarded? I mean, where are we going to get here if we all get into a situation of everyone having a veto? And I go back to my Fermanagh remarks. I mean, if one wants to clarify the six-county area—and I'm not, I'm totally opposed to repartition. But I'm just looking at—if you reduce democracy to mathematics, you know, why not one county? Why not West Belfast? Why not Derry or South Down, or Armagh or Tyrone? Why not get into that nonsense? And I think when you get into that it's just, it's so, it's such a crazy conclusion that one has to then come back out of it and say, right, let's look around the broad principle of national self-determination. How do we best rule, how do we best govern ourselves?

[Davenpower] Where does your stance on the whole issue of Unionist consent now lie? Because when you agreed your principles with John Hume, you agreed that consent and allegiance was essential for any political progress, that's Unionist consent and allegiance. Yet this week in a speech here, in Conway Mill, you seemed to be moving away from that. You derided the whole notion of Unionist consent; you said that the British Government only needed it when it suited them. Where do you stand? Do you—do you feel now that Unionist consent is an absolute prerequisite for any agreement?

[Adams] I, you cannot have an agreement unless all sections of our people, and this particularly is aimed at the Unionists, can come to an agreement with it. So their consent is obviously and absolutely necessary. But to use that notion and that very necessary attaining of consent as a precondition not to move to me is just crazy. We're very—you know, look back on the last 20 years. What have the Unionist leaderships—and I think they're out of step with grass-roots Unionists in this—but what have the Unionist leaderships initiated or agreed to or volunteered in terms of improving the situation? Not one of the very modest reforms on housing, on any other issue which was at the nub of the civil rights campaign. Some of them will even tell you, some of the Unionist leaderships will tell you that there is never discrimination, even yet! Where did all of the talks, all of the initiatives from way back in 1970 through Sunningdale, through Darlington, through the Hillsborough Treaty—what movement did the Unionists make towards that? And in all of my criticism of Unionism, I have to say that they behave as they behave because the British Government (?come in) and underpin their position. I mean look at the relationship between Molyneaux and Major. Look at the issue of clarification. Ask yourself, is the reason why John Major is refusing to give clarification to Sinn Fein because he fears losing the support of the official Unionists?

[Davenpower] But to return to the nub of the impasse at the moment—what you call this intolerable standoff—it seems to me that the British Government has swallowed a great deal of Hume-Adams in the wording of the joint Downing Street Declaration. It's swallowed the notion of a united Ireland being a reasonable aspiration. It's swallowed the entire notion of self-determination for the Irish people as a whole. Why can't you go to the IRA and say, look what we've achieved; this is enough, lay down your guns now?

[Adams] But David, we never need a British Government to tell us that a united Ireland is a reasonable [words indistinct] this fact, please, even former taoiseachs [prime ministers] never asked, even though this Dublin government has probably done more to try and resolve the problem than predecessors, they never asked for a British Government to merely recognize the aspirations as legitimate ones. They asked them to move, to do something about it, to activate, to come in behind the process, to become persuaders. Now, the IRA is quite capable of reading the joint declaration for itself. Derry doesn't need me or anyone else to go and interpret it for it. The person who has the responsibility to do that is John Major. Now, I said, as part of the broader peace process, and the peace process is about demilitarization. When I was asked the question by a journalist in the IRISH TIMES about the IRA, and I said that this, as one of the strands of the peace process, that I sought to get what I called the package, a proposition which I could bring to the IRA, and which I hoped would allow the IRA to make definitive decisions about the conduct of its [word indistinct]. Now, I don't have such a proposition to put to the IRA. The IRA have said, as John Major has said, that they won't make unilateral, they won't take unilateral actions. (?Thirdly,) in the course of the summer, and I think that this is a fact which should not be lost sight of, Sinn Fein and the British Government in the course of protracted dialogue and contact, in which there was elaborations and clarifications given by both sides, and there was no—from the British point of view—notion of a settlement. So, if I could just take a rest for a second, here we have these discussions going when they had no settlement in mind, and they were given clarification. Now, they say they have the basis for a settlement and they won't give clarification. So it seems to me that that is a very bizarre attitude to this. But notwithstanding this, in the summer of last year the British Government proposed to us delegation meetings with Sinn Fein. And we successfully negotiated it out with them the political basis for those discussions and the broad conduct of those meetings, and they said and have said so for some time before this, this would be better, have a better chance of working if there was no IRA campaign, if the IRA stopped its campaign, if the IRA lowered its campaign, if the IRA did less. And at the request of the British Government that proposition was put to the IRA. And the IRA agreed to suspend its action [words indistinct] to the British Government, and the British Government walked away from it. It was on the eve of the Maastricht controversy, it was on the eve of the leadership crisis that Major is still involved in, it was coming up to Commons votes, it was at a time when they started to (?flirt) with the official Unionists. But, nonetheless, and regardless of the reasons, the fact is that the IRA has in fact, in order to, if you like, enhance the possibility of talks and the outcome of talks, had agreed to suspend its (?conflict). And that was turned against it and the British Government told lies about it, and Major, and Major tried to use it to cause confusion in Republican ranks. That, a British Government which behaves in that very disgraceful way has first of all no real interests in engaging in a real and genuine peace process. And secondly, that anything that would be presented as by the British Government to the IRA has to be one which doesn't have the same baggage as that which engaged both sides last summer. But I'm also saying that I'm still anxious and still believe that the broad peace process is going to bring us about a negotiated settlement. I think we're in a critical phase of it. I think the onus is very clearly upon the British to move us out of this phase. and I think we are going to move out of it. How long it takes is a question that has to be asked of John Major.

[Davenpower] But if the IRA were prepared to offer a cease-fire of two weeks duration during the summer, why can they not make that gesture, that monumentally courageous gesture that John Hume has dubbed this, of calling a cease-fire now at what you acknowledge is a critical stage of the peace process?

[Adams] Because it's, because, and this is a matter [word indistinct] matter absolutely for the IRA to decide upon, because it doesn't see that it has the basis in terms of the current phase of the peace process....

[Davenpower] It doesn't feel that it has got enough from the British, is that what you are saying?

[Adams] Well, what it has from the British is a free-standing statement which is a masterpiece of ambiguity. Which, which James Molyneaux says, and is not contradicted by the British, has nothing in it for Nationalists. Which John Major says is not a time scale for a united Ireland, is not, in fact, heading towards a united Ireland. Which, if I can put it to you like this, Major says, and this is the language he uses, now you don't hear this language being used in South Africa, or the Palestinian-Israel process, he throws down a gauntlet. He then says that if the IRA stops that Sinn Fein will go through a 12-week decontamination process. Now this is the language he is using to people who (?vote) for us in this state. They have to go through a decontamination process and then we can talk to British civil servants about how the IRA can surrender its weapons. Now, is that a serious, is that, I mean, is that what people, what your listeners seriously think anyone could bring to the IRA?

[Davenpower] If John Major hadn't made the speech, to which Republicans apparently have taken exception, in the House of Commons on the afternoon of the joint declaration, would you have a sufficient package to bring to the IRA? Is the joint declaration without the Major commentary a suitable basis for a negotiated settlement?

[Adams] Well, he did make the speech. And we can't deal with a hypothetical situation. There are three areas, there is the declaration itself, there is the contradictory interpretations by both governments of it, and particularly the utterances of Major and other cabinet ministers. And then there is where or how does this declaration fit into the peace process? And I have to bring you back again to the start of the interview. This, this, I mean, this declaration came well along the road of a peace process, this declaration came at the end of a year which had seen frenzied activity to try and build peace. So it is a response to that and a product of that, and what Republicans, you see, and Nationalists have to apply ourselves to, is this merely almost a counteroffensive by the British, is this sort of a government which didn't want to be in open confrontation with the Dublin government trying to get together some arrangement to deal with the crisis? And a government which is almost in a permanent crisis, to deal with the crisis of that time. Or is it genuinely a [words indistinct] a process in which we can move ahead. I mean, that's the broad context in which this has to be viewed. And the commentary, the understanding of the prime ministers is crucial to this. I mean it's their statement, they told us last year only governments can take initiatives, which is a bit strange, but there you are. They told us only governments can take initiatives, and this is their initiative. They told us there isn't a solution. So, where do we go? What is the next step? And why do we have to wait? Why in the middle of a situation where people are, as we sit here probably, planning to kill other people, where you have armies out there—Loyalist army, British Army, Republican army, why do we, why do the British Government put a barricade up of nonclarification and hide behind it and engage in megaphone propaganda with Sinn Fein? Why can't they provide for Sinn Fein what they have provided for the other parties?

[Davenpower] As you say, across Northern Ireland it's a sad reality that people are probably planning to kill other people, some of them in your name, some of them the so-called godfathers of the IRA. Could I ask you at this juncture: What is the precise nature of the relationship between your party and the IRA?

[Adams] Well, Sinn Fein is not the IRA and this needs to be clearly said again and again and again. And the IRA is not Sinn Fein. I wouldn't try to distance myself as an individual Republican from the IRA. I think it would be dishonest, I've never tried to do that. I think it would be intellectually dishonest, and I think it would be immoral. I accept as a Republican leader, as I think other political leaders have to accept, a responsibility for what is happening here. But I don't lead the IRA. I am a leader of Sinn Fein. Sinn Fein is engaged in developing (?unarmed) strategies. Sinn Fein has been involved in a long evolution of policy and of strategy going back almost over a decade. Most of it missed because of the problems created by our censorship. And the main function of Sinn Fein now as a political party is to build the peace process; and the political priority for me, and the personal priority for me, is to assist in enhancing and developing and moving that whole process forward. I want to see an end to the IRA. I want to see an end to all the organizations which have citizens of this country engaged in armed actions. I want to see an end to it, I want to see a peaceful progress being made towards, as a Republican, I want to see an independent Ireland, but a peaceful development towards an accord which everyone can give their allegiance to.

[Davenpower] But is Sinn Fein subject in the rules of the Republican Army to the IRA?

[Adams] Not at all, not at all, that's a nonsense.

[Davenpower] Well, you said yourself that Sinn Fein was on a par with the IRA while still recognizing the army as the supreme authority. That's in an interview in 1984. Has that changed?

[Adams] My position has consistently been of developing Sinn Fein from almost being a poor second cousin, that we all come from the same broad constituency.

[Davenpower] Is the IRA still the supreme authority in the Republican movement?

[Adams] Not at all, not at all. The army deals with its armed struggle and Sinn Fein deals with its unarmed struggle, and Sinn Fein will take decisions openly and democratically at our [word indistinct] meetings, that's local level, or at [word indistinct]. And we never go to some anonymous grouping of people, having come to some democratic conclusion, and say, oh, is it OK for us to do this. We move forward, and clearer and clearer in recent times you can see how Sinn Fein can actually bring about, from a Republican perspective, a situation where the IRA in a multilateral way can move into a demilitarized situation.

[Davenpower] OK, so the relationship is one that's evolving. It's evolved from the days in 1984 when you were in a position to say that the IRA was the supreme authority. Could it evolve to a position where Sinn Fein would break with the IRA?

[Adams] Well, it isn't a matter of Sinn Fein breaking. There is no organic connection between Sinn Fein and the IRA but I have to stress once again that I wouldn't seek to distance myself from the army and from all of those people who are in prison at this moment, from the suffering of this action of the Republican community. But what we have to do is to move the situation on, until there is no reason for armed actions by any faction, Republican, British or Loyalist, in this part of our country.

[Davenpower] You see, despite your fine words about the allegiance necessary from Unionists and Loyalists, it seems to many people that the IRA, part of the Republican family, is engaged in what is essentially a sectarian war. It's shoppers on the Shankhill Road that get killed, not shoppers in the Falls Road, by the IRA. It's businesses in Coleraine and not in Republican or Nationalist towns that get blown up and burnt.

[Adams] Well, any actions which have been in any way hurtful or harmful and, in fact, which have killed civilians, I would be highly critical of and have been highly critical of, and have done so on the spot right away (?as I can). My, my, er ...

[Davenpower] But you felt you had to carry the coffin of the perpetrator of one of the worst of those outrages.

[Adams] David, I don't think that we should try to heap upon that young man the responsibility of all that has happened here in the last 25 years, and when I say that I will not distance myself from the IRA, the people in the Shankhill Road who were killed are my people. The Shankhill Road's only 200 yards from where we are doing this interview. At the same time I wouldn't add any further offense to Thomas Begley's family, to his mother and family, his mother and father, and I think it's important that we don't go for the type of tabloid or knee-jerk reaction.

[Davenpower] But how did you feel? That outrage happened at a critical stage in the peace process. How did you feel?

[Adams] Well, at any time when these things happen, and particularly because I'm a Republican, when they occur as a result of IRA actions, of course there is a feeling of despondency and I, like anyone else, I'm appalled. But the only political response there can be, from my point of view anyway, is to try not to engage in the politics of the last (?tragedy), but to try and move to a situation where these actions don't happen. And, and—I mean, one can go through the last 20 years and pick out—highlight atrocities, and, God forbid, but until we get a peace process going that's what's facing us up the road.

[Davenpower] But until the IRA show the courage to turn their back on violence, we're locked into the politics of the next atrocity; the next atrocity committed by the IRA could determine the future of this peace process, or could bring it to a halt.

[Adams] Of course there's always that potential. But there is a need for a demilitarization of the situation, and when one zeros just on the IRA and when you offer up—whether it's a person or just a debating point that the British Army is a legitimate—er—army, no, if the British Army wasn't here, if the British weren't here there would be no IRA. I mean, if I can say so at the risk of frightening the managers of RTE, if the British Army were back in uniform in Dublin tomorrow there would be young people from all parts of Dublin, back again engaged in armed resistance.

[Davenpower] That's a hypothetical situation, you seem to be able to enter into hypotheses when it suits you...

[Adams] Well, that is, it's also the historical situation that when the British Army were in your part of the country they were met by a ruthless band of people who were criticized in those days by the establishment in the same way as Republicans are criticized...

[Davenpower] They had a mandate that you have just this week acknowledged that the IRA currently do not.

[Adams] What mandate did they have?

[Davenpower] They had a popular mandate, they had a mandate from the first day...

[Adams] [words indistinct] What about Pearse, what about James Connolly?

[Davenpower] Are you saying that...

[Adams] What about old Wolf Tone and Robert Emmet? What about 1916? Did they go out and fight elections before 1916?

[Davenpower] The fact is that the IRA currently...

[Adams] Was Plunkett elected?

[Davenpower] The fact is the IRA currently have support of a tiny minority electorally north and south.

[Adams] OK, the IRA doesn't contest elections, and I made it quite clear last week that the IRA doesn't have any electoral mandate, but I mean, I'm just making the point to you that Irish revolutionary resistance organizations don't generally have electoral mandates. I know of none of them, in fact, that had such a mandate.

But what—a mandate comes from the conditions in which they exist and the mandate for the IRA today comes clearly from British occupation of this part of the country, and it has to be said that there is enough support for the IRA throughout Ireland, and particularly in this part of Ireland, to allow it to continue its campaign in perpetuity.

But what I want to do, as one who has spent 30 years in this struggle, and who has been not just at the funeral of Thomas Begley, but at the funeral of a lot of Republicans and also of ordinary civilians and neighbors and friends and family members, is to bring an end to a situation where an IRA, in the military situation which the British successfully brought about—the British militarized this situation—what I want to do is to bring about a demilitarization of it.

[Davenpower] Well what most people want to hear is the message that the IRA is prepared to lay down its arms, now may I put to you this hypothesis, that the reason you cannot go to the IRA and tell them to lay down their arms is because Sinn Fein north and south doesn't have that mandate—it doesn't have a mandate, it's got 1.61 percent of the population south of the border, 10 percent of the population here—and that once the gun is taken out of the Republican movement, Sinn Fein is emasculated.

[Adams] Not at all. Sinn Fein is in the state it's in in the 26 counties for historical reasons, many reasons that were self-inflicted...

[Davenpower—interrupting, Adams continues speaking in background] Oh come on, with all but one candidate losing his deposit in the last general election?

[Adams] This is the first time that you or anyone else in RTE, or that RTE listeners and viewers will have heard a Sinn Fein spokesperson for over 20 years. How do we expect people to vote for a party which the state seeks to make invisible, which the state seeks to strike mute, to make dumb? One cannot take away the potential that there was in the last 25 years to develop Sinn Fein in the 26 counties and that potential has been wrecked absolutely by censorship now.

Let me say this: I, as a human being the same as you, don't want to be locked into conflict. I want to pursue whatever aspirations and ambitions, which aren't all that remarkable, in a peaceful and normal way. I happen to live and have been born in a military state, in a police state, in the northeast of our country, which denies me my rights as a citizen. I still strive as a leader of Sinn Fein to develop unarmed strategies to counter this, but others in the context of British occupation take up arms and that is the reality of the situation.

[Davenpower] But John Hume, the joint author of those principles, says that there's enough in the declaration for the IRA to lay down their arms. He says the justification for armed struggle is gone.

[Adams] Yes, but John Hume has never been engaged in armed struggle. And John Hume knows very well, and he has actually made it clear again today that clarification should be given to the Republicans—he has made that quite clear on a number of occasions, so let's not, you know, separate John Hume's particular attitude to that issue and John Hume's courageous commitment when he has been vilified by all sorts of people.

[Davenpower] But you've hedged your bets on whether the joint declaration has actually removed the justification for violence. You've said it remains to be seen whether it has or not. Has it?

[Adams] Well, first of all, that isn't a question for me. I'm not engaged in violence.

[Davenpower] No, but you have an input, presumably.

[Adams] No, I'm not engaged in violence, David. And I think that's very, very important, that Sinn Fein is not engaged in violence. Sinn Fein, in fact, has had 13 of our people killed in as many months recently. Now....

[Davenpower] I accept that. But the kepublican movement is engaged in violence.

[Adams] The IRA is engaged in armed struggle. The IRA haven't moved to endorse the Downing Street Declaration.

[Davenpower] OK. Another theory that has been put about is that one of the reasons for your inability to recommend to the leadership of the IRA that they should lay down their arms is that you are afraid of a repetition of the disastrous cease-fire from the IRA in the Republican movement's point of view in 1973, when the Republican movement effectively split.

[Adams] Well, first of all—first of all—the IRA will come to a decision to come to a cessation by taking its own counsel. Secondly, I wish to assist that process, as I have said. I've been part of a broad peace process and hopefully as a strand of that by finding a proposition to put to the army leadership. The reason I haven't put that to the army leadership isn't because I'm afraid of anything.

It's because I don't have it to put to them. Now, can I also say, there is going to be no Republican split. There's no potential for it, there's no reason for it, and there's no proof whatsoever anywhere in the broad Republican family of any indication that there's going to be any Republican split. So these things, while they're legitimate enough curiosities for journalists to investigate, the only reason why I cannot put forward any proposition to anyone is because there isn't a proposition there. And the reason there isn't a proposition there is because the British Government have decided not to give clarification to the people that I represent. It's OK to give clarification to everyone else but not to Sinn Fein.

[Davenpower] As we draw towards the conclusion of this interview—and we've gone on I think for longer than we anticipated—can I ask you about some features of your letter to John Major? I know you were angry that this was made public, but you do say that, in the letter, that the document that was forwarded to the British Government by the Irish Government earlier this year in April or June—I can't remember which month—was a suitable basis and contained enough of the Hume-Adams principle to have been endorsed by the IRA. What happened to that?

[Adams] I don't know. I mean this is, this is one of the imponderables of the situation. And, you see, all of this as we, as we develop it may become more difficult and more confusing. I remember on a number of times when there was a lot of deadlines being set and false hopes being raised where I said, look this situation is liable to be protracted, it's dangerous, risky, and people are going to try and confuse us. All I know is that the propositions that John Hume and I were working on were that both governments were informed at every stage in the development of those proposals. And all I know is that John Hume and I came to an agreement—that that was given to the British Government. And I also know, and you know, that publicly the IRA endorsed it. Now, where did it go? Ask John Major.

[Davenpower] Is it your opinion that the Brussels summit actually saw the end of those proposals that you had put forward, that you had inputted into the system?

[Adams] Well, I am told that there is enough of them in the Downing Street Declaration. That's what I'm told. And if that is the case then I would like to move ahead on that basis. On what I can read myself I see no evidence that that is the case. But I come back to what I said earlier, that there's a gap between what is now on offer and what is required. Let us move to bridge that gap. Let's not get back to pre-April '94 [as heard]. Let's move forward to try and bring about peace. Let's not let the British Government squander—you know, If I can come back again just to this whole issue—are the Irish people—whether we're Unionists or whether we're Nationalists, whether we have no politics at all—are the Irish people not intelligent, reasonable, sensible enough to shape out some arrangement to live on this island without half-baked English, failed English, politicians being sent here by a lame duck prime minister to set out the rules and regulations and restrictions and innovations for our future? And I would argue very strongly that we—we're no better than anyone else in the world—but we deserve the chance to shape our own future free from British interference. And we can make accommodations with the Unionists, and we can come to an arrangement with the Unionists which satisfies all of the people of this island. And that's what the peace process should be aiming to do—not setting up barricades as the British do, not the British (?being) reluctantly making the minimum movement possible over the longest protracted period—but bringing about a conclusion which will allow people to live peacefully together. And David, as I've said many times, the other big issues of prosperity and everything else that our people deserve.

[Davenpower] Even if the IRA don't call a ceasefire—and as you say they were prepared to call a ceasefire last year but apparently not at the moment for whatever reason—even if they don't, do you think that there is the prospect for peace in '94?

[Adams] I think the prospect for peace, without putting any deadline on it, remains now. I think the potential for peace, the opportunity for peace, is still there. It deserves and requires cooperation from all the people involved. I am prepared to cooperate to bring that about. Whether John Major is or not remains to be seen. So far he hasn't shown much evidence and must be moved to that position. [end recording]

[Announcer] And that was the Sinn Fein president, Gerry Adams, speaking in Belfast yesterday afternoon to RTE's northern editor David Davenpower .

Reynolds 'Positive' on EU Membership for Finland

PM1801171694 Helsinki HUFVUDSTADSBLADET in Swedish 11 Jan 94 p 4

[FINSKA NOTISBYRAN report: "Ireland Wants Finland in the EU"]

[Text] Dublin—Ireland is well disposed toward Finland's aims in the negotiations for membership of the European Union (EU). Irish Prime Minister Albert Reynolds spoke in positive terms when commenting on the state of the negotiations after discussions with Prime Minister Esko Aho (Center Party) in Dublin. Aho began the official part of his visit to Ireland yesterday.

Reynolds admitted that problems had arisen in the negotiations, but that they are no different from those of other countries. In his view, the negotiations have progressed well.

The negotiations must be completed by the end of February at the latest if Finland and the other aspiring members are to be able to become members of the EU at the beginning of next year. Reynolds told FINSKA NOTISBYRAN that the timetable is a tight one. However, he considers that enough has already been achieved in the negotiations with the result that people are bound to be able to find solutions to the remaining problems.

The trickiest issue in Finland's EU negotiations is agriculture. Reynolds considers Finland's aims moderate. In his view the EU Commission has produced a good analysis of the problems and that it will be possible to find a solution on the basis of this.

Ireland is a warm supporter of an enlargement of the European Union. Reynolds believes that the Union should not be restricted to embracing only 12 members.

Aho's visit is official. The welcoming ceremony at Dublin airport was reminiscent of the reception given to heads of state. This can be explained by the fact that the prime minister, "Taioseach" in Irish, is in practice head of state in the Irish political system.

Immediately after his discussions with Reynolds, Aho held talks with Industry Minister Ruairi Quinn, who is the foreign minister's deputy. In the afternoon Aho had several meetings at the parliament building. In the evening he delivered an address on Finland's traditional international position at a gathering at the Irish Institute for European Policy.

In addition to his discussions Aho also had a more lightweight program. He visited a genuine Irish public house and was given a glass of Ireland's "national drink," Guinness.

Foreign Minister Interviewed on Diplomatic Issues

94ES0220A Montreal LE DEVOIR in French 31 Dec 93, 4 Jan 94

[Two-installment interview with Foreign Minister Andre Ouellet by Sylviane Tramier and Francois Brousseau; place and date not given: "Tough Issues for Canadian Diplomacy"]

[31 Dec pp A1, A8]

[Text] *Blue helmets to maintain peace or impose it? For a multilateral dimension in foreign policy.*

In an interview with LE DEVOIR, new Foreign Minister Andre Ouellet surveys Canadian diplomacy and the important issues it will have to tackle. In the first of a series of two articles, he discusses peacekeeping issues and explains the cardinal pillars of Canadian foreign policy.

It was Canada that invented and introduced to the United Nations the concept of "peacekeeping," an accomplishment which earned Lester B. Pearson a Nobel Prize. But today, Canada has misgivings about following the UN's lead into the field of peace enforcement and deployment of blue helmets into war-torn countries.

The brief detention of 11 Canadian soldiers by Serb militiamen in Bosnia just before Christmas prompted Ottawa to express its misgivings publicly. In a recent interview with LE DEVOIR, the newly installed minister of foreign affairs, Mr. Andre Ouellet, shared his thoughts on the subject.

"Traditionally, the United Nations was invited to send peacekeeping contingents into regions where the opposing sides had decided to make peace.... In the last 18 to 24 months, the United Nations has been led to involve itself in conflicts (without) the approval of local authorities. This is a completely new dimension, and Canada must ask itself whether it has the means to intervene militarily in countries where there are active conflicts."

Peacekeeping (on the "Cyprus" model) versus imposition of peace (as in Bosnia): This is not the only tough question with which Canadian diplomacy is wrestling. There is also debate over the size of contingents deployed.

Mr. Ouellet assures us that Canada still has the intent and the means to participate in traditional peacekeeping missions that do not demand excessively large numbers of troops. "But 2,400-man military missions in the former Yugoslavia, where maybe there is some hope for peace but not much of an ongoing peace process: That's very expensive. I am not saying no; I am not saying we should reject the concept of humanitarian intervention. But we must be cautious along that path. And we're going to have to delimit Canadian interventions very precisely." Mr. Ouellet notes there are some situations where "one can play an important role with as few as 15 people—technicians, experts—facilitating deployment of an effective peace force."

For all that, Canada is not turning its back on the UN. To the contrary, it plans to be "very much present and very active" in the international organization. "But these are general concepts. The way these concepts are applied needs to be reassessed," the minister says.

Amid all the excitement that surrounded the unveiling of a new government, one small detail might have escaped even the most attentive observers: Canada's diplomatic establishment is now called the Ministry of Foreign Affairs, having abandoned the old "External Affairs" tag inherited from its link to the British Crown.

A simple name change, it ought to have been made when Canada first assumed full sovereignty in the conduct of its international relations. "It's just a way of catching up with reality," says the new chief of Canadian diplomacy.

Catching up with reality, elaborating a policy that conforms better to the new international situation and to domestic imperatives: This is a priority objective for Minister Ouellet, who announced his intention of organizing a forum next March to discuss Canadian foreign policy and defense issues.

More than ever, a mood of reevaluation is in the air. "We think it necessary, in the new world context, to have a broad public debate on all these questions," said Mr. Ouellet. "We want an open, Canadian-style debate, instead of the old decisionmaking system based on telephone calls between Ottawa and Washington."

As an opposition party, the Liberals had criticized the Conservatives for having clipped the wings of Canadian diplomacy and made it subservient to the United States, narrowed its focus to the American continent, and relied excessively on Brian Mulroney's special ties with the then-tenant of the White House.

Now in power, the Liberals are reaffirming their intention to restore the multilateral dimension to Canadian foreign policy. "We will not be continentalists. We want to concentrate our efforts and initiatives on the three pillars of Canadian diplomacy: our relations with the United States, of course, but really with all the Americas; our transatlantic relations with an enlarged Europe now building closer ties to the countries of East Europe; and our Asian and Pacific relations, which have stayed on the back burner for too long."

In the framework of this "three-dimensional" diplomacy, Canada places great importance on expanding its relations with the countries of the former Warsaw Pact. In face of insistent demands by some of those countries—Hungary, Poland, the Czech Republic—for entry into the Atlantic Alliance, Canada opposes undue haste and favors requiring them first to meet the democratic standards upheld by NATO member countries.

When it comes to the perceived stiffening of Russian foreign policy in the wake of the ultranationalists' electoral breakthrough—"a protest vote," according to Mr. Ouellet—the minister aligns himself with those who believe in standing up to Moscow. Many European chancelleries reject any thought of opposing the Russians; they believe that if Moscow "vetoes" the entry of Poland or Hungary into NATO, its wishes must be honored.

Minister Ouellet is not of that persuasion. He describes himself as concerned to avoid giving the impression of yielding to Moscow's opposition. "The Russians are pressing their objections very energetically, but if we do nothing, we risk seeing the old hegemonies reestablished. We must take care not to re-create, by default, a situation which in years past we deplored and considered regrettable. Inaction on the part of the Western countries only encourages Russia to reaffirm and reimpose its hegemony over its neighbors."

On the delicate issue of Macedonia, the former Yugoslav republic which several European countries recognized this month even though the United States continues to follow a "wait-and-see" policy, Mr. Ouellet laconically observes that the question is "being studied."

[4 Jan pp A1, A14]

[Text] *In this second and final installment of his interview with LE DEVOIR on the future of Canada's foreign policy, Foreign Minister Andre Ouellet shares his thoughts on the political crisis in Haiti—a country where Canada plays an important role—and the steps that should be taken to resolve it.*

Convinced that the Haitian military leaders who overthrew President Jean-Bertrand Aristide will not voluntarily let go their grip on power, Ottawa proposes tightening the screws to force their hand.

"At this time, the military leaders are not prepared to cooperate in resolving the crisis," said Foreign Minister Andre Ouellet in an interview with LE DEVOIR. "They are deliberately stalling for time because they know time is on their side. Thus, concrete new initiatives are required. If we remain passive, we won't succeed."

Minister Ouellet admits the Haitian crisis is not moving rapidly toward resolution—indeed, it seems to be worsening. He says Washington is partly responsible for this state of affairs.

Taking the Americans sharply to task, Mr. Ouellet opines that their confused and contradictory policies have strengthened the military's position. "The fact that statements coming out of the State Department were being contradicted by the Pentagon may have contributed to strengthening the (Haitian military's) conviction the Americans would not intervene."

In December 1990, Canada welcomed the accession to power of Jean-Bertrand Aristide as Haiti's first democratically elected president. Since the 30 September 1991 military coup that forced Aristide into exile, Canada has played an important part in efforts by the Organization of American States (OAS) and the United Nations to mobilize support for President Aristide and his restoration through diplomatic means.

Although Minister Ouellet considers a military solution totally out of the question and relies rather on sanctions to achieve the objective, he maintains that Canada bears a special responsibility toward Haiti "because it is very close to us, because many Haitian nationals live in Canada, because Quebec religious figures have been working in Haiti for many years, because there are deep-rooted ties."

After two years with no apparent progress, the foreign minister suggests it is time for Canada to abandon its passive stance and "lean on the Americans." "They need to start speaking with one voice. Because the State Department says one thing, then the military and the CIA say something else. After that, they need to be persuaded to act."

High on the list of concrete steps recommended by Mr. Ouellet is the formation of a Haitian police force. Canada suggests a good beginning would be to provide training for police officers "who could become a counterweight to the military." "As long as the military exercise complete hegemony over the country, they're going to impose their own rule," says Mr. Ouellet. "The balance of power needs to be changed."

The Governor's Island Pact signed last July by President Aristide and General Cedras, commander in chief of Haiti's Armed Forces, called for measures to be implemented last fall to separate the police from the Army.

So far, the Haitian military have blocked this reform. Minister Ouellet proposes to move ahead now on training of Haitian policemen—in Canada, if it cannot be done in Haiti. The core of the police force could be constituted by the presidential guard that provides protection for President Aristide in Washington.

All of its neighbors have taken up the call for democracy in Haiti, but not to the point of strictly enforcing the UN sanctions against the Haitian military. One of the weakest links in the pro-Aristide coalition is the Dominican Republic whose land border with Haiti on the Isle of Hispaniola is used to circumvent the oil embargo.

Mr. Ouellet thinks that if sanctions against Haiti are to have any chance of success, the Dominican Republic must be induced to enforce them to the letter. "We need for everyone to stand united and severely tighten the screws on the Haitian military. We would also like to persuade the Dominican Republic to take an active part in these efforts." Referring to Canada, France, the United States, and Venezuela—the countries that compose the group known as the "Four Friends of the UN Secretary General on Haiti" and serve as advisers on the Haitian situation—Mr. Ouellet thinks the Dominican Republic should be persuaded to join the "Four Friends" group.

Kinkel Comments on Moscow Developments, Poland

AU2101194294 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 21 Jan 94 p 3

[Report on interview with Foreign Minister Klaus Kinkel by Claus Gennrich in Bonn on 20 January: "The Course of Events in Moscow Worries Officials in Bonn: The Lava Is Flowing"]

[Text] The Federal Government is trying to understand events in Moscow as well as possible future developments. Federal Chancellor Helmut Kohl still intends to talk with President Yeltsin on the telephone this Friday [21 January] to ask him about the new cabinet list and the future course of the government. Meanwhile, it has been expected in Bonn, even before the conversation, that Yeltsin will tell the chancellor that he was in control of the situation and that the reforms would continue. Kohl is expected to tell Yeltsin that he will continue to support him and the reforms. Before that, Kohl had a long telephone conversation with U.S. President Clinton that ended with the two men agreeing that Kohl would ask Yeltsin about developments triggered by the meeting the two presidents held in Moscow; in a week, Kohl and Clinton will further coordinate their position during the chancellor's visit to Washington. In the Foreign Ministry and in the Chancellor's Office, the question whether Finance Minister Fedorov would remain in the government was interpreted as an indicator for the future of the reform policy and the West's position toward Russia. Diplomats in Bonn have, therefore, been following alternating reports about Fedorov with great attention.

Foreign Minister Klaus Kinkel told FRANKFURTER ALLGEMEINE: "For the World Bank and the IMF, the most important financial institutes for Russia, Deputy Prime Minister Gaydar, who has since resigned, and Fedorov used to be the two confidence-building personalities; they maintained the contact. If both were to go, this would result in a considerable loss of confidence for Moscow." If the changing reports on Fedorov were to end with his resignation from the government, which was unclear on Thursday, "then this would constitute a major setback." Nevertheless, Kinkel said that as far as Germany is concerned, "there is no alternative to the reform policy; it has to be supported." Kinkel advised against "dramatizing warnings."

Yeltsin-Chernomyrdin-Fedorov

Kinkel assumed that Prime Minister Chernomyrdin would try to "strike a compromise." If Fedorov ultimately were to resign, only Deputy Prime Minister Chubays, who is in charge of privatization, would remain of the original hard core of reformers in the government. Kinkel said the conclusion for German foreign policy was that "the West must continue to help Yeltsin, under the condition that the objectives of reform must not be seriously threatened." As criteria for assessing Moscow's reform policy, Kinkel mentioned "the fight against inflation, the inclusion of the central bank into the policy of monetary stability, the continued efforts for privatization, the reduction of subsidies for state enterprises that are unable to survive, and further steps toward the market economy accompanied by the establishment of a social insurance system independent of enterprises." These criteria are similar to the conditions under which Fedorov would stay in office.

In Kinkel's view, the revolutionary process is not yet concluded in Russia: "The lava is still flowing." The developments have not yet become steady. The balance between Yeltsin and now stronger Chernomyrdin, between the president and parliament, and between the government and the state duma still has to be achieved. Gaydar's resignation has already weakened the government's reform punch. Chernomyrdin was obviously also trying to force Fedorov into the background; yet Yeltsin knows he needs the finance minister. Meanwhile, the positions of Gaydar and Fedorov have been strengthened through their parliamentary seats.

Sources in Bonn expect that the government will be able to achieve "majorities on specific issues" in parliament, when Gaydar's bloc cooperates with independent and "federative" deputies in individual cases. However, visitors from Bonn in Moscow, such as Hornhues, the deputy chairman of the Christian Democratic Union/Christian Social Union [CDU/CSU] Bundestag group, have noticed an even increasing fragmentation in Parliament. Gaydar's group does not "primarily" see itself as the government party. In general, it has been noted in Bonn that various politicians are even now guided in their behavior by their prospects for the 1996 presidential and parliamentary election. Chernomyrdin and Gaydar are probably rivals for the succession to Yeltsin.

Some observers from Bonn have interpreted a movement of disassociation from Yeltsin as an indication that changes may be possible even before 1996. If Yeltsin were to resign for health or other reasons, numerous politicians, public servants, and military members from very differing directions would get ready to take over. In this respect, Deputy Defense Minister Kronov seems to be playing a significant role. He was the last Russian officer to leave Afghan territory and he is said not to be too distant from the views of nationalist Zhirinovskiy. Some observers in Bonn seem to regard it as possible that the forces that are standing behind Zhirinovskiy in military circles, and certain services are planning to use their popular figurehead only until they are able to implement their own ambitions and no longer need the charlatan.

Kinkel does not indulge in such speculation, but obviously does not rule out a development that follows the experience that "the revolution devours its children." Stabilizing help by the West was, therefore, all the more important, he said. More difficult than the conditions in Russia is the situation in Ukraine, Kinkel stressed, mentioning catchwords such as Sevastopol, the domestic harbor of the Black Sea fleet, dependency on Russian energy supplies, and nuclear arms. After the Russian-Ukrainian agreement on the scrapping of nuclear arms, which was signed in the presence of Bill Clinton, the last of those issues seems to have been defused. However, the economic situation was disastrous. In the FRANKFURTER ALLGEMEINE interview, Kinkel suggested that the European Union [EU] follow Germany's proposal and devise a "program for the economical use of energy." Since many relief programs remained ineffective, the EU should make sure its aid is coordinated. Kinkel said: "Russia and Ukraine should conclude a treaty on neighborly relations, comparable to the one Germany signed with Poland and the other Eastern countries."

Kinkel drew up a "program for the Baltics." The Baltics are "highly sensitive for Russia." The Balts' nervousness is not without reason. Yet, Kinkel stressed that he was also convinced Russia would withdraw its forces. Nevertheless, for Russia, the independence of the Baltic countries is a symbol for its decline as an international power. Kinkel announced that in an early March meeting in Bonn with the foreign ministers of Estonia, Latvia, and Lithuania, he intends to discuss how the three countries can be included in European cooperation "as partners with equal rights." Kinkel described his initiative in the EU: "At the European Council in December, the Brussels Commission was given the mandate to conduct negotiations on a free trade agreement; I am trying to extend this mandate to facilitate the conclusion of a Europe agreement with each of the three Baltic states that at least includes the prospects for EU accession." The next EU Council of Foreign Ministers should discuss this issue in February.

Nervousness in Poland

Regarding the countries in East-Central Europe, Kinkel noticed that nervousness is most marked in Poland, because of Warsaw's unfulfilled wishes toward NATO and the EU. In her talks in Bonn on Tuesday, former Polish Prime Minister Suchocka expressed her disappointment about the West. The Partnership for Peace did not offer any protection. Since NATO failed to agree on an "agenda" for Polish membership in, say, 10 years, Poland's acceptance into the alliance, including a necessary security guarantee for this country, which is a neighbor to Russia. Mrs. Suchocka predicted that the stronger and more dangerous Russia would become the less NATO would be willing to accept Central- East European countries as members out of fear of Moscow's reactions. Russia would never become a democracy. The Poles were also getting upset with the EU and its protectionism. The mood was becoming anti-Western, Suchocka said.

In the interview with FRANKFURTER ALLGEMEINE, Kinkel described Poland's fears as not justified. The Europe agreement with Poland will come into force on 1 February: "Poland is being involved in many ways." Poland must understand, however, that "the involvement of Russia in cooperation is in the interest of the Central-East European countries." Kinkel said: "There are two levels. We understand what is moving the peoples and governments of the Central-East European countries; however, together we must try to come to a rational assessment of the situation." The accusation of selfish Western European protectionism to the disadvantage of democracy in the East cannot be substantiated. Kinkel warned the East Europeans against turning their back to the West: "Remain sensible and do not overreact!" Kinkel pointed out that the Europe agreement with Hungary on free trade and political dialogue, including "prospects for membership" would also become effective at the beginning of next month. Similar agreements with Bulgaria, Romania, Slovakia, and the Czech Republic were signed in Brussels last year. The ratification procedures have started; interim agreements will be in force until they are concluded. Negotiations between the European Union and Russia on a partnership agreement have been interrupted as a result of the government reshuffle in Moscow. A result should be achieved in the course of the year. Negotiations with Ukraine, Belarus, Kazakhstan, and Kyrgyzstan have started or are being prepared. Kinkel concluded: "We are doing everything possible to strengthen the network."

Kinkel Invites Baltic Ministers to Bonn

AU2001160794 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Jan 94 pp 1-2

[Report signed "C.G.": "Mounting Concern in Bonn and Russia's Neighboring Countries About Developments in Moscow"]

[Excerpt] Bonn, 19 January—On Wednesday [19 January], Foreign Minister Klaus Kinkel extended an invitation to the foreign ministers of Estonia, Latvia, and Lithuania to come to Bonn. Kinkel intends to hold "consultations" with Foreign Ministers Luik (Estonia), Andrejevs (Latvia), and Gylys (Lithuania) in early March. The invitation has to be seen in connection with the increasing feeling in the Baltic countries of being under threat from Russia. Kinkel intends to discuss with the Baltic ministers how their countries can be brought closer to the European Union. Germany is trying to extend the mandate for negotiations, which the Brussels Commission adopted in December. So far, the mandate provides for negotiations on a free trade agreement. Kinkel wants to achieve that, comparable to existing Europe treaties with other countries, the agreement should at least contain "prospects" for later accession to the European Union.

The Federal Government is worried about developments in Russia. There is lack of clarity in Bonn about the shift of balance in connection with the establishment of the new government in Moscow. Statements by Foreign Minister Kozyrev according to which Russia has "basic vital interests" in the other successor states to the former Soviet Union, the "CIS," and the Baltics, were regarded in Bonn at least as requiring clarification, even after Moscow sources said that the statement was "quoted in a distorted way." Hungary and Washington have also expressed concern. On Tuesday night, U.S. President Clinton and Federal Chancellor Helmut Kohl held extensive discussions on the telephone about Clinton's talks in Moscow and and his talks with Syrian President Al-Asad in Geneva. Clinton was obviously not yet aware of the situation after the resignation from the government of the reformers around Deputy Prime Minister Gaydar. In coordination with Clinton, Kohl is currently trying to get Yeltsin on the telephone to ask him about the determination of the course of the future government. Sources in Bonn have stated that, like Clinton, Kohl continues to bank on Yeltsin. Owing to the insecure situation in Russia, the Federal Government is particularly interested in the compliance with the agreements regulating the withdrawal of the Russian Forces from eastern Germany. [passage omitted]

Government Demands Standard EU Regulations on Refugees

AU2301185694 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Jan 94 p 4

[Report signed "ban": "Bonn Concerned About Refugees"]

[Text] Bonn, 21 January—In spite of opposition from other European states, the Federal Government is demanding a common European Union (EU) regulation on accepting refugees from the former Yugoslavia. On Friday [21 January], during the first reading of the ratification act on the "Dublin Agreement," Lintner, the state secretary in the Interior Ministry, said a "fair distribution" of refugees from the civil war zones must be safeguarded throughout the European Union and other European states. "So far, we have met with strong opposition from several West European states." Lintner pointed out that Germany has accepted some 370,000 refugees from the former Yugoslavia. This is approximately two-thirds of all the refugees who fled to the European Union from the civil war zones.

In the summer of 1990, the European Community members had concluded an agreement on asylum proceedings. Under this agreement, asylum seekers entering the European Union have the right to only one such proceeding. The responsibility lies with the country that has allowed the foreign national to enter, or that was the first one he entered. The agreement shall prevent foreign nationals from applying for asylum in more than one EU member countries, either concurrently or consecutively. Lintner said the agreement is an important step toward harmonizing the community's asylum laws. The Dublin Agreement is to be seen in connection with the abolition of border controls agreed on by the community. He said the reason given for the change of the asylum law that was passed by the Bundestag last year was the European agreements. Lintner said that beside the Dublin Agreement, the government is aiming at a standardization of asylum policies and procedures throughout the European Union. A short debate showed that the Christian Democratic Union/Christian Social Union agrees with the Social Democratic Party and the Free Democratic Party on this matter. The Party of Democratic Socialism and Alliance 90/Greens opposed the idea. Deputy Weiss of Alliance 90/Greens warned against "isolation measures," which would create the preconditions for criminal organizations trafficking in asylum seekers.

Cabinet To Decide on Transrapid Train by March

AU2101165394 Berlin DIE WELT in German 21 Jan 94 p 1

[Report by Martin S. Lambeck: "Wissmann: Decision on Transrapid To Be Made in March"]

[Excerpt] Bonn—The Federal Cabinet will make a decision on the construction of the Transrapid magnetic levitation vehicle at the end of March this year. This was announced by Transportation Minister Matthias Wissmann (Christian Democratic Union) in an interview with DIE WELT. Thus, the minister wants to present the draft of the law on the magnetic levitation train to the Bundestag before the end of this legislative period. Both coalition partners support the project, and it is considered certain to be adopted. [passage omitted]

Customs Investigating Serbian Embargo Breaches

AU2201141594 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 21 Jan 94 p 15

[Report signed "K.B.": "The Embargo Against Serbia Is Being Breached"]

[Text] Cologne, 20 January—Customs Service investigation bureaus have launched 346 probes into possible breaches of the trade embargo against Serbia and Montenegro since the beginning of the year. The figure was provided by the Customs Service Criminal Investigation Department in Cologne, which has a coordinating function and gathers information in the course of overseeing German foreign trade.

The EU [European Union] embargo, which followed UN sanctions resolutions, has been in force since June 1992. The embargo has applied to UN Protection Areas in Croatia and Serbian-controlled areas in Bosnia since April 1993. In a conversation with the FRANKFURTER ALLGEMEINE, the Customs Service Criminal Investigation Department stated that the undoubtedly high number of cases must be seen in perspective. At the same time, however, their importance should not be played down. Apart from a large number of minor breaches, there are also a several serious cases involving German companies.

A total of 180 investigations have been launched into bus companies alone: They are alleged to have transported Serbian citizens to their home country or to have collected them from there. Journeys by bus, like travel generally, also come under the extensive embargo covering services. Apart from Serbian businessmen, there are also several German businessmen involved in operating such services. This has led the Transportation Ministry to appeal to the relevant associations to warn their members about the consequences of violating the embargo.

Of the four convictions that have been obtained in the 59 criminal proceedings instituted by the Customs Service Criminal Investigation Department on suspicion of violations of the embargo, one involves the Serbian owner of a bus company in Germany. He received an 18-month jail sentence and a period of probation. Violations of the embargo can be dealt with under Paragraph 34, Article 4, of the Law on Foreign Trade and such offenses carries a minimum sentence of two years imprisonment. In cases of lesser violations, at least a fine has to be imposed.

Minor cases involve Serbian citizens attempting to bring food, liquor, or tobacco products into Germany. They do not include the normal provisions that people take with them on journeys. The 60 kg of beef, 18 kg of wool, 435 kg of cabbage, and 192 liters of spirits that have been in found in the possession of Serbs entering the country are treated as violations of the embargo.

Serious cases currently under investigation or already under criminal proceedings involve German companies importing millions of German marks worth of frozen fruit, shoes, and cables. Former Yugoslavia has traditionally supplied large quantities of fruit for processing. Since the imposition of the embargo, however, investigations have not been initiated against firms involved directly in processing, but against trading companies. Of the 364 investigations that have been launched, 167 concern imports and 65 concern exports.

Investigations indicate that many of the companies based in Germany against whom proceedings have been instituted are in Serbian hands. Deliveries of magnesium are a special case. They could only stem from Serbian plants, which have supplied German industry for many years. The customs service has established that magnesium continues to be delivered, but Macedonia is being given as the country of origin.

Of the 52 criminal proceedings that were instituted by Customs Service investigation bureaux following the conclusion of investigations, the state prosecution service has only decided not to continue with proceedings in nine cases according to the Customs Service Criminal Investigation Department. The Customs Service Criminal Investigation Department has not been fully informed about the outcome of the criminal proceedings, because the prosecution service and courts are not obliged to pass on such information to federal agencies.

With regard to the weapons embargo that was imposed by the United Nations on all of former Yugoslavia in 1991, the Customs Service Criminal Investigation Service has received no indications of violations involving weapons or ammunition. The embargo also covers other forms of military equipment. Investigations have revealed that used equipment has been supplied by Germany. Initially, this also involved trucks that previously belonged to the former National People's Army. In 1993, for example, criminal proceedings and monetary penalties have been instituted in cases of deliveries of belts, boots, tents, steel helmets, and berets.

SPD Financial Spokesperson Criticizes EU Budget

AU2101175094 Duesseldorf HANDELSBLATT in German 21 Jan 94 p 3

[Article by Ingrid Matthaeus-Maier, financial policy spokesperson for the Social Democratic Party of Germany: "Brussels Does Not Need To Incur Debts"]

[Text] Bonn, 20 January—In view of the currently 19.2 million unemployed in the European Union [EU], a continuing slow economic cycle, and the fact that Europe's innovative potential lags increasingly behind the United States and Japan, Commission President Jacques Delors took the initiative. With his white paper on more growth, competitiveness, and employment, which he submitted at the EU summit in mid-December, he intends to fuel the European economy.

In fact, the white paper Delors presented contains some correct principles.

- The Commission is aware that the EU employment crisis must be overcome by creating internationally competitive new jobs and technological progress; employment programs of the old type are not suggested in the white paper.
- The white paper recommends more flexibility in business and industry and a decrease in ancillary wage costs, without intending to lower the well-tested EU social standards.
- Great importance is attached to the development of the infrastructure, not least in view of the Maastricht Treaty and the planned adjustment of the economic potential. The white paper, therefore, suggests measures for the development of European transport, energy, and telecommunications systems.

There is just one snag to the white paper, however: If the Commission had its will, EU debts would increase further. At the same time, the European Union would be authorized to incur debts. The Commission suggests that the European Union should borrow an additional ECU8 billion—less than 16 billion German marks [DM]—annually, in addition to the existing programs. Following some resistance at the summit, the EU Council has ordered a study to analyze the matter.

Right To Incur Debts at European Level

The European Commission intends to use the program presented in the white paper in order to give the European Union a special right to incur debts. Such a right to indebtedness at the European level, however, is neither necessary nor desirable.

It is not necessary because there are already enough instruments in the framework of the EU budget, some of which are exclusively envisaged for the financing of trans-European systems—the cohesion fund, the structural fund, and the medium-term research framework program. In addition, the European Investment Bank can grant credits; the credit volume in 1993 was approximately ECU19 billion. Moreover, a European investment fund will be created in 1994 that will primarily deal with the financing of trans-European systems. Through this fund, approximately ECU30 billion can be mobilized. There is no indication that these funds will not be sufficient.

The EU Budget Must Not Be Financed by Way of Credit

A special right to indebtedness of the Commission is not desirable, because in this way, another debt vehicle would be opened that would develop its own dynamism. It would provide a loophole for member states to incur a debt that is not possible nationally. The European Treaty, therefore, says for good reason that the EU budget is not to be financed by way of credit, but solely from the member states' own funds.

In addition, the Maastricht Treaty defines stability criteria for the future European monetary union. The upper ceiling of indebtedness in the member states should not exceed 60 percent, and new borrowing should not be higher than 3 percent of the GDP. The necessary efforts to observe the convergency criteria at the national level would lose much of their value, if borrowing were shifted to the European level. It is unacceptable that individual member states should try to fulfill the stability criteria, whereas the European Union could incur an excessively high debt. If this were possible, then this debt would have to be allowed for proportionately regarding the indebtedness of the member states, which, after all, have to pay for interest and amortization.

In all member states, public debt has become a real obstacle to growth and employment. Any further debt increase in the European Union would complicate the necessary interest rate cuts and would thus hinder investment in new jobs. Investors and consumers are concerned about continuously increasing public debt. Everyone knows that sooner or later, the state must apply the emergency brake and initiate consolidation measures. The more indebted the countries are, the more painful the spending cuts, and the greater the need for tax increases. However, this is extremely harmful for the cycle and the employment market.

What is more, the debt incurred by the Commission must also be serviced. For the necessary interest payments, the Commission must go to the member states to finance financing. This means that the member states' payments to the European Union would increase because of interest peyments. The wind that is currently blowing into the European Union's face is rather becoming stronger, as a result of such proposals and analyses.

It is not necessary to create new debt vehicles, credit programs, and special debt options of the European Union. What is necessary, however, is to reduce debt at all levels and take the convergency criteria of the Maastricht Treaty seriously. If the available funds were not to be sufficient, readjustments must be made in the EU budget in favor of the measures mentioned in the white paper.

In Europe, too, the debt mentality must be broken. The united Europe must not become a debt community. The disastrous impact of further debts will threaten growth, competitiveness, and thus the very goals that are to be implemented with the help of the white paper—the decrease of unemployment and the improvement of competitiveness in Europe. I, therefore, call upon the Federal Government to reject clearly the Brussels debt plans.

Dispute Over Eurocorps 'Settled'

AU2201142494 Munich SUEDDEUTSCHE ZEITUNG in German 21 Jan 94 p 10

[Article by Winfried Muenster: "Does the Eurocorps Have America's Blessing?"]

[Text] Brussels, January—During the most recent NATO summit, not even the parking lots of the press were booked up. General boredom seemed to be the reason numerous correspondents saved themselves the trip to Brussels. "You have realized that not much is happening here," government spokesman Dieter Vogel apologized for his unexciting statements. Had something escaped the attention of Vogel and the correspondents? Diplomats at the Alliance headquarters in Brussels and in Bonn and other capitals expressed extraordinary satisfaction a few days later. "A new NATO was created on Monday [10 January]," Bonn officials stated jubilantly. "The declaration by the 16 heads of state and government is a significant breakthrough. It was the most important NATO summit since the end of the Cold War."

It is true that, nearly unnoticed, the 16 allies set a new course in security and defense policy. The quarrel between the "Europeans" and the "Atlantic-minded" on the role of the European Union in security policy was settled. Not only does the United States accept that, but it even applauds the European allies in the community of 12 for their efforts to create their own "security and defense identity." The defense pact Western European Union [WEU], which the United States viewed suspiciously for many years, is now considered "the defense component of the European Union" by the U.S. ally. Thus, no one else but the community should be authorized to strengthen the "European pillar of the Alliance."

This was no controversial subject at the summit. Everything was settled in advance, and NATO is now characterized by a harmony that it has not seen in the past 14 years after the controversial dual track decision on nuclear rearmament was adopted.

The trans-Atlantic quarrel over whether the European allies should be allowed to safeguard their own joint security-political interests was more than the topic of debates among insiders on the diplomatic stage. It undermined Washington's determination, particularly that of Congress, to ensure European security and gnawed at the foundations of the Alliance.

The squabbling started at the beginning of the 1980's as a result of U.S. readiness to grant the Soviet Union strategic parity. The strategic balance among the superpowers made Moscow's military superiority vis-a-vis Europe appear in a new light. Prior to U.S.- Soviet arms control talks in March 1985, for example, the WEU states wanted to meet—outside NATO—to discuss the situation. The United States objected. It insisted on complete U.S. control over security and defense policies so long as it had to protect Europe. If the Europeans had something to say, then they should do so within NATO.

Thus, the WEU sank into oblivion for another two years. In 1987, however, the European Community adopted the project of the single market, and the idea of an economic and monetary union gained ground in France. A combination of these two concepts was bound to nourish dreams of a "political union" that would accompany Europe's economic integration with unification in the sphere of foreign and security policy, and later even with a joint defense policy on the basis of the WEU. From that time on, France and Germany did not abandon this topic any more, particularly since the Cold War ended two years later and Europe had to make a larger contribution to its own security.

Yet, the Bush administration did not give up its resistance—not least because it mistrusted France, which was not integrated in the command structure of NATO, and that, with its support for the WEU, aroused the suspicion that it wanted to create a structure of European armed forces outside the U.S. sphere of influence. In May 1992, U.S. NATO Ambassador William Taft stated frankly in Brussels that he did not understand why the 10 states of the European Community that belonged to the military integration of NATO could not make it clear to their French partner "that France's vision of a common defense can only be realized in the institutions of NATO." It is not sufficient to cooperate occasionally with the Alliance, he stressed. However, the U.S. position softened slowly. President George Bush accepted the WEU as early as at the NATO summit in Rome, "if it does not represent a European alternative to NATO." Reginald Bartholomew, Taft's successor, stressed in the autumn of 1992 that the Alliance should remain the supreme "defense forum."

However, a change of power at the White House was apparently necessary to transform America's resistance into agreement. Strobe Talbott, the new U.S. deputy secretary of state, admitted shortly before the most recent summit that this resistance against an independent European defense identity was "pure theology"—which was quite unfounded because, with the exception of France, the European partners were never interested in founding an organization rivaling NATO. Quite the contrary. "We support the WEU as a strong European pillar of the Alliance," the declaration adopted by the NATO summit reads. For the defense officials in Bonn, it is hardly conceivable for WEU countries not to be NATO members.

Europe's security-political elements are now forming a complete mosaic. "It was clear that if the United States renounces its theology, the French will also give up their dogma of Charles de Gaulle, according to which strict independence and distance vis-a-vis Washington is to be ensured," a Bonn diplomat pointed out. Bonn officials have always believed that a European defense identity would bring France closer to NATO and not increase the distance between Germany and the Alliance. They were right in the end. The agreement that the WEU may use the military apparatus of NATO is proof of that. In addition, France will occasionally participate in the Alliance's defense planning—that is, the meetings of the defense ministers. Out of consideration for U.S. feelings, Great Britain and the Netherlands have so far kept away from the Eurocorps. Now that the Strasbourg Armed Forces have been generally accepted, the Netherlands and the Germans want to complete them with a second corps. Great Britain is currently not participating.

In fact, time was also on the side of the Europeans after the end of the Cold War. The United States, which reduced its troop presence to one-third in Europe, was hardly in a position to deny the old world an independent defense initiative. Also, it was not possible for the Americans to insist on having the final say while, at the same time, calling on the Europeans to assume their global share of work. This was Clinton's message at the Brussels summit. He considers NATO the authority that is ultimately responsible for the global strategy of the West, including the military one. The European Union, however, should concentrate on economic reconstruction—with the United States, in the case of Russia—and, above all, the democratization of East Europe. Allies who are expected to fill these task do not have the feeling that somebody is putting a spoke in their wheels.

Kohl Urges Focus on Research, Technology

AU1901161994 Duesseldorf HANDELSBLATT in German 19 Jan 94 p 4

[Report signed "HB": "Kohl Demands New Ideas From Industry"]

[Text] Duesseldorf, 18 January—Chancellor Kohl has called on industry to turn new ideas into marketable products and to use these for opening up new markets. At the Chamber of Commerce and Industry's New Year Reception in Duesseldorf on Tuesday [18 January], Kohl pointed out that top achievements in research and technology are important preconditions for future-oriented jobs in Germany.

"I am, therefore, very concerned about our falling behind important competitors in the fields of research and technology, for instance regarding the number of patent applications," Kohl said. Research and innovation are not only a matter of funds. They also require a social climate that is open to new ideas.

On the labor market situation, Kohl said the problems "cannot be solved in the short term," even with the expected upswing of the economy. For this reason, everybody who is involved in the economic process is called on to help secure jobs. The Federal Government has taken action. The new law on working time, which enables more flexible working hours and longer machinery operating hours, has been presented to the Bundestag. The 1992 pension reform provides the opportunity to combine part-time work with drawing partial pensions. So far, this instrument has been made far too little use of. Almost 2.5 million full-time employees would rather work part-time. This means there is an enormous job potential there, said Kohl.

Kohl welcomed the wage agreement in the chemical industry as "an important signal." The wage round parties put employment at the center of their talks. This is a good contribution to securing jobs. Other important factors are the agreed starting wages for young people starting work and for the long-term unemployed. This is the first time that wage round parties made agreements that take account of the different capacities of different companies.

Kohl said the government's job is to improve the basic structures for stimulating growth and employment in Germany. In this connection, the chancellor emphasized the government's decision to cut the budget by another 5 billion German marks [DM]. This was "not simple," because a total of DM21 billion had already been saved in the 1994 budget. Financial planning has a "solid base," which can also be seen from the preliminary 1993 budget balance. In 1993, the government's new indebtedness was some DM500 million below estimate. Economizing also means fighting the misuse of social benefits, which has led to DM1.2 billion being saved by the end of November 1993.

Kohl stressed that in the next legislative term the tax law should be simplified and the company tax reform continued. Another important issue on the government's agenda is simplifying the planning and licensing procedures in Germany. These—with the "program to increase growth and employment"—are important steps taken by the coalition toward enforcing the measures laid down in the report on "Securing Germany's Future as a Business Location," as was announced last September.

Government To Reduce Research Ministry's Budget

AU2201182794 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 21 Jan 94 p 2

[Report signed "S.Sch.": "Compensation for the Research Budget?"]

[Text] Berlin, 20 January—Contrary to assurances from the government that the Research Ministry's budget would remain untouched, Research Minister Krueger, Christian Democratic Union, must now accept reductions totaling 250 million German marks [DM] in his DM9.4-billion budget. This means his department—after the Defense Ministry, the fiscal administration, and the Economics Ministry—is in the top group of the 29 federal institutions that are obliged to make economies. Krueger told this newspaper he regretted that his department, which accounts for only 2 percent of the total budget, has been burdened with 5 percent of the amount that is to be saved. He is not pleased with this development. He must, however, accept the Federal Government's decision, especially as he has been offered "compensatory measures." It is planned that his ministry should receive approximately DM150 million from SED [Socialist Unity Party of Germany] assets. It is still "litigation" money, however, as the legal dispute about SED assets has still not been resolved. Krueger is, nevertheless, firmly counting on the money, because guarantees have been offered at the federal level. The funds, which were always envisaged as additional funds for the Research Ministry, are only available in a limited way. They can only be allocated for research in the new laender. A further DM100 million of this year's budget should, according to Krueger, be financed through the Bank for Reconstruction with low interest loans. This means that in the future, research institutions will increasingly have to finance their work with loans rather than state contributions.

Government, Opposition Debate Economy in Bundestag

LD2001132194 Berlin DDP/ADN in German 1150 GMT 20 Jan 94

[Excerpt] Bonn [DDP/ADN]—The positions of the government coalition and opposition became further entrenched in the Bundestag debate on the government's financial and economic policy today. Finance Minister Theo Waigel and Economics Minister Guenter Rexrodt defended the government's action program to increase growth and employment, but the SPD [Social Democratic Party] accused the coalition of wanting to break the social consensus within the country.

Waigel stressed that the policy of consolidation was to be continued "without restrictions." The consolidation of public budgets would promote economic growth and create new investment opportunities for industry. The action program was a "consistent" continuation of the privatization policy and the instruments for controlling the labor market were being extended. In order to encourage innovation, small- and medium-size businesses would receive particular support.

Rexrodt stressed there were "clear indications" that the economic downturn in Germany had been overcome. Export prospects had improved. Optimism was justified, at least with regard to the economy. However, this did not apply to the development of the labor market. Therefore, the action program focused on the creation of additional jobs.

Ingrid Matthaeus-Maier, the deputy chairperson of the SPD parliamentary group, said the government was facing an economic and financial "pile of rubble." For months, the government had turned a blind eye to the rise in unemployment; now political action was supposed to cover up the inability to act. [passage omitted]

Foreign Trade Shows 'Slight Recovery'

AU2201203194 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Jan 94 p 11

[Report signed "Jl": "Only Slight Recovery in Foreign Trade"]

[Text] Frankfurt, 21 January—Germany's foreign trade saw only a slight recovery in November 1993, compared with November 1992. During the first 11 months of 1993, exports and imports declined markedly over the comparable period of the previous year. The Federal Statistical Office reports that goods worth 54.7 billion German marks [DM] were exported in November, a 0.4 percent increase from October. Imports increased by 0.6 percent to DM46.5 billion. At DM8.2 billion, the export surplus remained stable over October, but it was distinctly up over November 1992 (DM1.7 billion). From January through November, goods worth DM547.4 billion were exported, which is 11.1 percent less than in the same period last year. Imports declined by 14.9 percent to DM496.1 billion. At DM51.3 billion, the export surplus is markedly higher than last year (DM33.2 billion). Due to deficits in the service sector, as well as transfers, the favorable foreign trade balance in the goods and services balance turned into a DM34.6-billion deficit.

BDI Expects Foreign Demand To Stimulate Economy

AU2301185694 Duesseldorf HANDELSBLATT in German 21-22 Jan 94 p 6

[Report signed "ari.": "BDI Expects Stimulation of Foreign Demand"]

[Text] Duesseldorf—In the opinion of the Federal Association of German Industry (BDI), the possible gradual economic recovery will not yet lead to a relaxation of the labor market.

Rather, the Association proceeds on the assumption that the employment problem will even increase in 1994. The latest economic report substantiates this by the statement that the expected stimulation of foreign demand can only result in a modest growth impulse. With the new increase of the burden of rates and taxes, the economy has been burdened with an additional "field pack for the way out of the economic depression." According to this assumption, it will not be possible to return to a dynamic investment boom and thus to solve the employment problem in 1994, it was stated.

The industrial enterprises reacted to the economic deterioration with rationalization and staff cuts. The measures have not failed to be effective. While in the first quarter of 1993, the unit labor costs, which increased by more than 10 percent, almost exploded, they were only about 1.5 percent higher than last year in the past three available months. However, the cost crisis has not yet been overcome. While producer prices continue to decline, the profit situation remains tense.

The improvement of the cost situation does not suffice for economic recovery. In addition, relative competitiveness has to be improved and demand has to be developed. At present, however, this is complicated by the increasing tax burden. As early as now, the job reduction caused by rationalization goes far beyond comparable developments of former cycles. A considerable part of it also contains structural adjustments because of deteriorated conditions of business locations, it was stated.

Almost all job losses fell to industry in 1993. While in the economy as a whole there were still about 1.3 million employees more than in 1989, in the west German industry there were already 100,000 fewer employees than in the recession year 1983. Here it has been taken into account that the building trade was the only industrial branch to slightly increase its employment once again in 1993.

The BDI is convinced that the job reduction will gradually end in eastern Germany. Production expanded in many branches in 1993. This process will broaden and become more dynamic this year. Despite considerable success in the improvement of production, the level of costs in the east is still higher than in western Germany. This is an important reason for the previous small success of east German enterprises in the world market, it was stated.

Apart from Great Britain, in the countries of the European Union (EU) the economic situation is still marked by weak economic activity. However, the downward trend slowed perceptibly in the second half of 1993. Meanwhile, the bottom of recession has probably been reached almost everywhere. Private consumption has stagnated. As a result of the increasing surplus capacity and the pessimistic business expectations, the enterprises' investments have decreased considerably.

The economic development is still suffering from the sluggish domestic demand. Therefore, industry in the EU countries suffered most from recession in 1993. From June to August, production decreased by 3.8 percent and the production of capital goods by even 6.4 percent, it was stated.

At the end of the year, however, there were the first signs of a recovery of the EU economy. The world economic surroundings have improved further. Thus, the export chances of European enterprises have clearly increased. The stimulation of exports will initiate a modest recovery, but without a change in the trend in domestic demand it will not be possible to achieve sufficient dynamism, which is required for the reduction of unemployment. The BDI assesses it positively that, with 3.2 percent, the inflation rate in the European Union has fallen to a new low in November and may decrease further, since the pressure from wage costs will presumably decrease. Then monetary policy will be able to stick to its course, which supports economic activity.

The improvement of the economic climate in the European Union itself also points to a further economic stimulation. The latest poll signals decreasing pessimism in industry in nine out of 12 countries. Capacity utilization amounted to 77.5 percent in October, and thus it was slightly higher than in the previous quarter. In the opinion of the BDI, the capacity utilization rate will increase gradually in the next few months.

Trust Agency Sells Power Supply Company

AU1901165494 Munich SUEDDEUTSCHE ZEITUNG in German 19 Jan 94 p 25

[Report signed "eld": "Trust Agency Sells First Power Supply Company"]

[Text] Berlin—The Trust Agency has started to privatize the east German power supply industry. The Preussen-Elektra AG company in Hanover will take over the majority of five of the 15 regional supply companies. The five firms are: Oder-Spree Energieversorgung AG (Oseag) in Frankfurt/Oder, Maerkische Energieversorgung AG (Mevag) in Potsdam, Energieversorgung Magdeburg AG (EVM) in Magdeburg, Hanseatische Energieversorgung AG (Hevag) in Rostock, and Energieversorgung Mueritz-Oderhaff AG (EMO) in Neubrandenburg.

The power supply enterprises Bayernwerk AG in Munich and the Rheinisch-Westfaelisches Elektrizitaetswerk AG (RWE) in Essen will take over 51 percent each of some regional east German power supply plants on the basis of the electricity agreement concluded in 1990. However, negotiations with the Trust Agency have not yet been concluded. The east German communes will receive the remaining 49 percent later.

Talks on privatizing the Veag Vereinigte Energiewerke AG in Berlin are more difficult. The majority of the east German enterprise is to be sold to the three large west German electricity concerns Bayernwerk, Preussen-Elektra, and RWE. The Veag is planning for investments worth approximately 30 million German marks by the end of 2005 to modernize the east German power supply.

In view of the economic crisis in the new laender, the Veag must expect a lower sale of electricity. Establishing public utilities also has a negative impact on the Veag's sale of power. Thus, the Trust Agency might be forced to reduce the price. According to the Trust Agency, the privatization of the Veag is to be concluded by the middle of 1994, and the sale of the second east German brown coal producer, Lausitzer Braunkohle AG (Laubag), in Senftenberg is to be completed by the same time, if possible.

Research Institute Reports on Economy

AU2101074594 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 13 Jan 94 p 10

[Report on study prepared by the German Institute for Economic Research: "The Real Shock and the Enormous Level of State Redistribution"]

[Text] The economic policy debate in western Germany is focusing on wage policy more and more. It is being increasingly blamed for the ongoing rise in unemployment not only within the framework of the debate on the country as a center for industry but in a manner that extends well beyond that. Excessive wage increases are said to have led to a situation in which there is an insufficient demand for labor on the part of companies and in which there is a threat of another sharp rise in unemployment. However, this approach does not concentrate on the relevant subject matter to an adequate degree. It is another instance of narrow-minded economic thinking, which sees the labor market compared with markets for goods. By contrast, monetary policy is to a large extent excluded from discussion.

Wage Policy

It is obvious that both sides have made mistakes with respect to wage policy. In its January 1992 report, the DIW [German Institute for Economic Research] wrote that wage policy should not take things too far in the conflict with monetary policy; otherwise, a recession and unemployment would be inevitable. Last year's wage increases already indicated that corrections were under way, corrections that would permit a high degree of price stability and competitiveness in the medium term. This year, the first wage agreements and union demands in key sectors indicate that the wage increases will be closer to 2 percent rather than 3 percent.

In public debate on the subject, wage cuts are being frequently called for with a view to making Germany more competitive and providing openings for the unemployed. However, anyone who calls for wage cuts today must take into consideration the fact that overall economic development in the 1980's was marked by extremely moderate wage growth. Nominal wage increases hardly exceeded the progress that was made in the production field. That was also in no small part due to moderate wage hikes under collective agreements and reductions in working hours. This behavior on the part of the parties to collective agreements led to a high degree of price stability on the one hand and to very substantial increases in profits on the other hand. Accordingly, there was a boom in investment as a result of the low cost of capital and low money market interest rates. The poor level of investment, which was complained about at the beginning of the 1980's, became entirely a thing of the past. Until 1991, western Germany recorded a constant rise in the level of investment, one that was also high in international terms.

There is no doubt that such a development would have been impossible if if German labor costs had been "too high" internationally. The opposite is true. Until 1991, the rate at which west German unit labor costs were rising, in German marks, was always below the average rate of increase among Germany's trading partners. It was not until 1992, when the German labor market situation at the beginning of the year was still influenced by the preceding boom and the rest of the world had already been experiencing the effects of a recession on labor markets for a long time, that German unit labor costs began to grow more rapidly in comparison to those among its trading partners for the first time since 1970.

The fact that at the end of the boom, and at a time when the labor market situation was good, unit labor costs grew more rapidly than before and markedly more sharply than prices in industry is simply the product of a "normal" economic reaction on the part of unions and employers to a preceding period of significant increases in profits. One may take exception to that. However, it is not a convincing basis for expressing concern about a fundamental change in power structure on the labor market or constant mistakes on the part of trade unions. Thus, labor in Germany has not become "too expensive," neither in international terms—if one excludes exchange rate fluctuations—nor in relation to domestic productivity and price trends.

There is also no proof to support the assertion that labor has become too expensive in relation to capital. Labor can only become too expensive in relation to capital if not only nominal but also real wages grow "too much," so that in the manufacturing process, the production of a certain quantity of goods involves "too little" labor and "too much" capital. The rate at which real wages increase is not determined by the parties to collective wage agreements, however, but by the market or markets, where the prices of all goods are determined. In addition, the overall rate of economic development would be an obstacle to a strategy of reducing real wages. One cannot draw a straightforward comparison between the labor market and the market for consumer goods.

For example, if there is an oversupply in the automobile market, a reduction in prices can rapidly lead to an increase in demand: That does not, mean, however, that the volume of automakers sales and the demand that they generate will rise. The situation in the labor market is different. Even if prices remain constant in the wake of a reduction in nominal wages, which would entail a reduction in real wages, an increase in company demand for labor in the short term cannot be expected. Even if companies consider the reduction in real wages to be lasting, their first reaction will only be to gradually start to reorganize the production process with a view to making it more labor intensive. However, what would have an immediate impact is a drop in demand, which would probably entail a further increase in unemployment. That would in turn lead to another reduction in real wages. Even if a strategy for reducing wages were considered possible and economically safe, it would pose problems for a country such as the Federal Republic. A reduction in real wages and the change in the ratio of labor to capital that this entails, one tending toward greater labor intensiveness, also means a decline or at least a lower rate of growth in productivity. It is also questionable whether Germany would then still be able to manufacture the products that are manufactured by the leading group of technologically advanced countries.

Wage cuts—irrespective of how they are justified in each individual case—constitute a defensive strategy that does not promise success. However, a modern wage policy—as the institutes jointly recommended in the fall of 1993—is warranted. As a fundamental adjustment to distribution is not required, wage negotiations over the next two years will be solely about making a adjustment to those increases in 1991 and 1992 that have exceeded the medium-term rate. If wage agreements were of the order of 2 percent, that would be guaranteed for the entire economy. If this course were to be followed, then it would be possible to make the adjustments that are appropriate for each branch of industry without abandoning the principle of overall collective agreements.

After two "adjustment years," wage policy can return to a reasonable medium-term rate of about 4 percent. The normal and necessary economic adjustments to distribution that benefit profits will entail increases in productivity, increases that will significantly exceed the medium-term course in the short term. All demands that tend downward regarding such a course, including those that follow one or several rounds of zero wage increases, are economically harmful and also harm company profits.

Zero wage increases are also inappropriate in an international context because—especially in Europe—they only lead to increased pressure on wage settlements in partner countries. This is also an area in which there is a fundamental inconsistency in the present discussion: A devaluation of the German mark vis-a-vis European currencies is categorically rejected, a freeze on wage increases or reductions in nominal wages, which would have the same effect—namely a devaluation of the German mark in real terms—internationally, are being discussed and promoted as possible solution.

Reductions in Working Hours

In view of the rapid increase in the number of unemployed to an annual average of 4 million this year and the possibility of a high level of unemployment in the medium term, further reductions in working hours are being discussed. Volkswagen has come up with a radical option in this respect. The Volkswagen proposal of a drastic reduction in working hours is only a model for companies that expect a significant reduction in personnel to be necessary in the medium term. Because the loss of income that personnel will experience could be marked, the state can offer some compensation in this regard. What would, for example, be appropriate is a temporary and degressive reduction in unemployment insurance contributions for those concerned. This would also compensate for the lower benefits provided by unemployment insurance under the Volkswagen model.

However, in terms of the economy as a whole, such a large step as the reduction in working hours at Volkswagen is barely acceptable. Thus, individual steps aimed at reducing working hours should, as has been the case until now, take place within a framework of higher productivity. This permits settlements to be found that have a neutral impact on costs and maintain the real income levels of those affected by such moves.

At the same time, shorter working hours should be accompanied by a further separation of working hours and machine operating hours. Optimal plant operating hours are necessary for a country like the Federal Republic of Germany with its relatively high wage and high capital costs if it is to compete internationally. Internal company agreements on annual working hours can better harmonize company and personal interests than has been the case so far. Thus, overall, a significant contribution can be made to reducing unemployment.

Fiscal Policy

So far, fiscal policy has prevented more serious harm from occurring to overall economic development. In 1993, the contribution of the state amounted to as much as 1 percent of the GDP. To a large extent, this was the result of stabilizing factors that are built into taxation and transfer systems. This year, the effect of these elements will be much weaker. In addition, there are also the negative effects of discretionary components—that is, reductions in social welfare provisions, as well as increases in taxes and contributions so that in 1994, the state will have a restrictive influence on the overall economy.

There is no doubt that fiscal policy is in a precarious situation. The possibilities for it are more limited than before with regard to offsetting a reduction in private demand and providing a positive stimulus to the economy. The rapid increase in the level of state debt reduces whatever room for maneuvering there is. In 1995, there will be a further increase in the state debt when the state takes over the debts of the Trust Agency. The state will then have debts totaling almost 2.2 trillion German marks [DM], which will require annual interest payments totaling DM150 billion—almost a fifth of all tax receipts.

The difficult state budget situation is primarily due to the fact that costs of German unification were largely financed with loans. However, it is also a reaction to the fact that, for a long time, monetary and fiscal policy have had conflicting effects in the economy. The costs that adjustments entailed and had to be borne by fiscal policy as a result of a restrictive monetary policy and its effects on the economy were significant. If monetary policy now becomes more expansive, it would be disastrous if fiscal policy were then to counteract a more relaxed monetary policy. Used correctly, monetary and fiscal policy are the key automatic stabilizing elements in a free market system.

In times of recession, monetary policy becomes more stable through a rapid normalization of the interest rate structure and fiscal policy does so through the acceptance of growing deficits. If one of these stabilizing factors is absent, the other policy area has a greater burden to bear. A strategy from which both these stabilizing elements are absent prolongs a recession. However, this year, monetary policy will only gradually be equal to its responsibility. Thus, 1994 is an exceptionally inappropriate time for attempting to consolidate public budgets. Reductions in expenditure mean reduced demand and lower incomes in the economy as a whole and lower taxes and social insurance contributions. For this reason, the government cannot be sure that its austerity program, which amounts to DM20 billion, will result in a reduction in the deficit of the same order. In the best case, the shortfall that has to be financed will be reduced by DM10 billion. Finally, the state will only regain the ability to act if there is a lasting upturn, because only then will revenues rise and the need for funds to finance unemployment will diminish, and only then can the contributions made to other social insurance systems be reduced.

In the discussion on the causes of the recession, it leads to confusion to repeatedly mention dues that are "too high" and "too high" a level of social benefits. These assertions do not tally with the fact that the enormous expansion of employment in the late 1980's and the 1990's took place within such a social framework. It makes just as little sense at a time of declining demand for labor to make the seemingly inflexible range of jobs offered ("excessively high benefits") responsible for unemployment. No one "suddenly" decided to become unemployed in 1992 to take advantage of the high level of unemployment benefits. To redefine the current level of unemployment, which is due to economic factors, as "voluntary" unemployment rules out finding a solution that tackles causes.

Of course, in a recession, the social insurance burden on companies is much higher than in an economic upturn. The social welfare system must be maintained in a crisis. It will now become apparent whether the system operates efficiently—that is, is it in a position to alleviate the effects of the economic crisis on those who have been affected involuntarily and, thus, contribute to stabilizing the entire system. Like wage costs, in a recession, social insurance payments—and taxes—cannot be low enough for companies. However, what might appear right for a businessman in a given situation is not necessarily advantageous for the economy as a whole. What economic policy requires at the present time is not a limit on employment market instrument but the expansion of such instruments. This particularly applies to eastern Germany, where the state will bear a responsibility for developments on the labor market for a long time to come.

Today—and this discussion also has a cyclical character—the social welfare system is seen as being too costly to finance. It should not be forgotten that the current low level of public funds is the product of taxation (redistribution) measures in the 1980's and the beginning of the 1990's. The declared aim of the policy was to increase incentives in order to make the economy more competitive internationally. This policy not only failed to prevent the recession but could not succeed because the international race to lower taxation has resulted in all economies having a high level of state debt.

When there is an economic upswing, the condition of public finance almost "automatically" improves, just as its condition worsens when there is a downturn. However, it remains an open issue whether the improvement will result in attaining what is considered a normal level. Much depends on the extent to which politicians are prepared to check the content and scope of state tasks and create more efficient administrative structures. It is rightly conjectured that there is considerable potential for economies in public administration. In the short term, however, this potential can barely be used.

Monetary Policy

Wage policy has performed its role in a reasonable way in that it has responded to the recessionary increases in unemployment with declining nominal wage increases. This also means it has been the most important element in combating inflation in Germany. A provision has been made for ensuring that the shocks that the German economy has experienced in the wake of unification can be dealt with with in the medium term without inflation. The mechanism that has produced this result can be easily understood: As a result of the reduction in the availability of money that is prompted by an economic upturn, monetary policy causes interest rates to rise, which leads to lower investment activity and unemployment, and because unemployment means that fewer wages are being paid out, this in turn leads to a new upturn, which is prompted by a reduction in interest rates above all.

Whether the inflation rate rises or falls at the same time has no bearing on whether the operation of the mechanism is successful, because only an increase in prices that leads to higher wages on a constant basis leads to inflation.

The restrictive effect of monetary policy will immediately prevent demand-related inflation, as well as a cost-related secondary inflation through the wage adjustment process that has been described.

What monetary policy cannot in itself prevent is an increase in the rate at which prices grow as a result of a real decrease in supply—the effects of the explosion in oil prices provided a textbook illustration of this. Ultimately, such price increases have an important function: They alter relative prices and create an incentive for substitution, for increasing the supply of the scarce commodity and for restricting demand until a higher level of supply is available. However, it is also conceivable that to the extent that one particular price rises, others will fall, so that despite a real shock, the inflation rate will remain stable. The reduced supply of one particular commodity does not automatically lead to a decline in the demand for other goods, because as a rule, a reduction in supply is accompanied by the redistribution of income, which does not have to affect effective demand. As a result, a reduction in demand for other goods must be achieved through monetary policy. However, that can only occur by way of rising interest rates and rising unemployment, as described above.

Nevertheless, monetary policy does not have to prevent an increase in price levels that stems from a real shock, because after a certain period of time, the rate at which prices grow returns to its previous level if waged-induced secondary inflation does not occur. This cannot be expected under the conditions that exist in western Germany if unemployment increases.

In the case of the FRG, the real shock was unification at the beginning of the 1990's. It entailed an enormous redistribution of state resources that was to a large extent financed through raising indirect taxes. Such measures have a direct impact on prices. The housing shortage in western Germany has also become more acute through migration. In view of the liberalization of the housing market, this has resulted in rapid increase in rents. At its highest point, the increase in rents amounted to over 6 percent (at the end of 1992). Rents and administrative prices have had a big impact on the rate of inflation. They kept the rate at which prices were rising high well into the recession. A monetary policy that is oriented toward the inflation rate is led of course by this effect. That is precisely what happened in Germany. German monetary policy has not followed a medium-term oriented strategy, but starting in the middle of 1992, sought to limit the risk of inflation, which no longer existed, with an approach based on small steps. Once the recession had started, the Bundesbank, following a medium-term course, should have sought to reduce its key interest rates quickly and by substantial amounts to support and accelerate the fall in long-term interest rates stemming from the worldwide recession. The Bundesbank did not do that and the consequences are grave. To express things clearly, the German Bundesbank's policies are forcing industry into a crisis in terms of costs and earnings, because more housing is needed in Germany.

This policy means that jobs are being lost, because it is a policy that prolongs and intensifies the crisis. Anyone who complains about a new increase in unemployment must take account of the following: Over the past 20 years, monetary policy has steadily become more restrictive. In the 1950's and 1960's, interest rates never assumed an inverse character. At the beginning of the 1970's it amounted to five quarterly periods for the first time. In the middle of the 1970's, following the highest inflation rate that the FRG had experienced since the beginning of the 1950's, it amounted to four quarterly periods. At the beginning of the 1980's, it was already 11 quarterly periods. Since the beginning of 1991, it has already amounted to 12 quarterly periods.

Monetary policy that is geared toward continual expansion must always allow for a slowing down of economic growth. If one wants to stabilize prices, one must be in a position to check investment activity and accept unemployment temporarily in the belief that in the medium term, the inflation rate will come closer to the goal that has been set because wage policy has responded accordingly. That has always been the case in western Germany. Thus, there is no reason for monetary policy to become extraordinarily restrictive.

Since the summer of 1992, doubts have always been voiced about a rapid reduction in central bank interest rates. At a time when the German mark was largely under pressure to rise in value and subsequently became an overvalued currency after being an undervalued one, it can be assumed that the argument has little to do with reality: A rapid reduction in German money market interest rates would have led to a devaluation of the German mark and an increase in German capital market interest rates, because it has boosted expectations that inflation will rise and the difference in interest rates between Germany and other countries has grown. As has been pointed out several times in this article, since the summer of 1992, there was no basis for fearing inflation and—as the rather premature behavior of several central banks showed in the first half of 1993—other European countries responded to a reduction in German interest rates with appropriate reductions. However, even if there was a certain devaluation of the German mark in relation to, for example, the U.S. dollar, it would counteract the tendency to overvalue the German mark—that is, a situation that is as undesirable in the long term as that trend toward undervaluing the German mark that lasted many years.

A rapid relaxation of monetary policy has been and is rejected with the argument that this would lead to an expansion of the M3 money supply. This argument is questionable for two reasons: First, over the past one and a half years, the expansion was justified in terms of potential: As has been indicated on many occasions, the Bundesbank set far too low a money supply target for 1992. Second, a rapid reduction in interest rates on short-term deposits—despite a significant increase in the M1 money supply—has not led to an acceleration, but to a slowing down of the M3 money supply, as many depositors have reduced short-term savings—an important component of the M3 money supply—by converting such savings into long-term forms of investment.

Trends toward checking monetary expansion are already apparent. The slowing down of monetary expansion should continue this year, especially as money market interest rates continue to fall. In this respect, the Bundesbank goal of between 4 and 6 percent for 1994 is completely realistic. However, the Bundesbank's money supply goal contains an element that responds to economic developments in a way that cannot be reconciled with a medium-term strategy. The Bundesbank is not guided by whatever rate of growth is possible in the medium term but by the actual current rate of growth. The potential medium-term rate of growth amounts to 3 percent, whereas the actual rate amounts to 2.5 percent. This relatively low rate is attributable to the decline in west German investment activity. The decline is not entirely but largely due to a restrictive monetary policy. To allow that to influence the future monetary supply goal simply amounts to a partial abandonment of the concept of a medium-term monetary policy and the inclusion of a cyclical factor.

Brandt Reportedly Informed of Wienand Activities

AU1901172394 Hamburg BILD in German 18 Jan 94 p 2

[Report by Bela Anda: "Brandt's Widow Breaks Silence"]

[Text] Was Karl Wienand, the powerful Bundestag group chairman of the Social Democratic Party [SPD] between 1976 and 1974, a KGB spy? Brigitte Seebacher-Brandt (47), Willy Brandt's widow, told BILD: "In the second half of March 1992, Valentin Falin, the former Soviet ambassador to Bonn, visited Brandt in Bonn."

During this meeting, Falin told Willy Brandt that Wienand was a KGB spy, Brigitte Seebacher-Brandt stated. The Federal Intelligence Service was then informed.

Wienand emphatically rejected all accusations yesterday.

In the meantime, official Bonn has been alarmed by the suspicions of espionage that also affect former SPD Bundestag group chairman Wehner, who died in 1990.

Waigel, the head of the Christian Democratic Union, called on the SPD in Munich "to clarify the matter." SPD leader Scharping did not see much new in the accusations against Wehner.

BILD asked former SPD leader Vogel: "Did Brandt tell you anything about Wienand's activities as an agent?"

Vogel replied: "For reasons of principle, I do not want to disclose details of talks that were held when Willy Brandt knew he would die soon. I consider this respect for human dignity. Thus, no conclusions can be drawn in any direction."

CSU May Investigate

AU2001073694 Berlin DIE WELT in German 19 Jan 94 p 1

[Report signed "Fz": "Wehner Case: CSU Does Not Rule Out Investigating Committee"]

[Text] The Christian Social Union [CSU] group in the Bundestag has requested that the GDR contacts of Social Democratic Party of Germany [SPD] officials Herbert Wehner and Karl Wienand be clarified. The CSU does not rule out establishing an investigating committee in this connection.

In Bonn yesterday, Michael Glos, head of the CSU group in the Bundestag, said one must clarify the extent to which foreign powers had an influence on activities in the old FRG.

Brigitte Seebacher-Brandt, the widow of former SPD Chairman and Federal Chancellor Willy Brandt, who died in 1992, disclosed notes of her husband that create the impression Mr. Wehner, who died in 1990, was involved in secret cooperation with Moscow and East Berlin.

With a view to the "confessions" of young Wehner in Moscow, which have now become public and in which he denounced comrades in Germany during the Stalin era as deviationists, Glos stated that it had to be clarified whether the former chairman of the SPD Bundestag group was liable to blackmailing. Glos added that clarification was also necessary in connection with the suspicion that Karl Wienand, Wehner's long-standing Bundestag group manager, might have spied for the GDR or the Soviet KGB.

Guenter Verheugen, federal manager of the SPD, spoke of a "campaign" that, considering the treatment of hitherto unpublished files, provided a foretaste of the 1994 super election year. The SPD's attention was to be deviated from the election campaign and its party leadership was to be presented in a suspicious light.

Former SPD Chairman Hans-Jochen Vogel told Cologne EXPRESS that Brandt never accused Wehner of espionage. SPD Deputy Klaus Lennartz accused Brigitte Seebacher-Brandt of suffering from an image neurosis.

Wienand rejected the accusation that, regarding Willy Brandt's overthrow in 1974, Wehner served the cause of the former Socialist Unity Party of Germany [SED] rulers or intercepted Honecker letters to Brandt. Wienand said Wehner, who was a member of the German Communist Party until the 1940's, used his former contacts to achieve progress in inner-German relations.

Antifascist Group Says Police 'Obstruct' Activities

AU1901172794 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 19 Jan 94 p 5

[Report signed "sp": "Antifascists Criticize Police"]

[Text] Hannover, 18 January—The Goettingen "Autonome Antifa" group has accused the police of attempting to obstruct its antifascist activities. The Lower Saxon Land Office of Criminal Investigations [LKA] has been investigating the group for more than two years on the grounds that some of its members are suspected of belonging to a terrorist group.

The "Autonome Antifa" on Tuesday [18 January] described the effects of the police investigations on the group. The members of the group are exposed to permanent harassment, including regular observation of their meetings and even their private apartments. Telephones have been bugged. Their publications and press releases are picked up at the receivers and the papers are then examined for fingerprints by the LKA. Whenever the group rents halls for meetings, LKA officers have questioned the owners of the premises and even showed them files with photographs. For one rally, the group rented a loudspeaker van; the officers later confiscated the files of the car rental place and even questioned employees. Over the weekend, the Greens party of Goettingen stated that representatives of their party, the Social Democratic Party of Germany [SPD], and the Federation of German Trade Unions [DGB] received summons from the LKA. They were asked to testify in the preliminary procedures against members of the "Autonome Antifa." Last March, this group assumed the initiative for a demonstration against neo-Nazi activist Hans-Michael Fiedler and his training center in Adelebsen (Goettingen district). Some 2,000 demonstrators participated in the nonviolent protest march after the appeal was also backed by members of the Greens, the SPD, and the DGB.

The "Autonome Antifa" has concluded from the LKA actions that "efficient, broadly based antifascist work is to be prevented." Neo-Nazi activists such as Fiedler, however, are able to enhance their activities under the eyes of the state prosecutor and the LKA, it was said. When asked about this by FRANKFURTER RUNDSCHAU, a spokesman for the Lower Saxon Interior

Ministry said the LKA was conducting its investigations on the instructions of the chief state prosecutor of Celle.

Russian Troops Reportedly Missing Ammunition

LD2201163994 Berlin DDP/ADN in German 1523 GMT 22 Jan 94

[Text] Berlin (DDP/ADN)—According to information from the BERLINER MORGENPOST, the units of the Western Group of Russian Armed Forces still stationed in Germany are missing over 80,000 tonnes of ammunition. Major General Hartmut Foertsch, the federal government's authorized representative for the withdrawal of the Western Group, told the paper (Sunday [23 January] edition) that on 1 January 1991, a total 677,000 tonnes of ammunition had been stored in Germany. Of this amount, 580,390 tonnes had been dispatched to Russia between 1991 and 1993. The Western Group had reported stocks of only 15,560 tonnes of ammunition on 1 January 1994. There was uncertainty about the whereabouts of the missing 81,050 tonnes.

The general criticized the fact that the Russian side is "at present refusing to enter into discussion" with the German liaison command he heads.

Bonn Finances More Housing for Returning CIS Troops

AU2201182894 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 17 Jan 94 p 17

[Report signed "Jl": "Bonn To Finance 45,000 Apartments for CIS Soldiers by the End of 1994"]

[Excerpt] Frankfurt, 20 January—Russia, Belarus, and Ukraine can count on significantly more apartments for their troops returning from the former GDR than were originally expected under the program financed by the Federal Government, according to Konrad Hinrichs, chairman of the Foreign Construction Commission of the Main Association of the German Construction Industry. Instead of the approximately 36,000 housing units that were the subject of an agreement, it is now expected that approximately 45,000 units will be built at 40 different locations. They will be handed over at the end of 1994.

The Federal Government had originally made 7.8 billion German marks [DM] available for apartments, technical and social infrastructure, certain production facilities, and housing construction combines. Last year, a further DM550 million was added to the housing program. According to figures provided by Hinrichs, contracts for over 40,000 housing units at 37 different locations have been signed. A further four or five locations where 5,000 housing units are to be built are still at the planning stage. [passage omitted]

Schoenhuber Says 1994 'Year of Decision'

AU1801180394 Bonn DER REPUBLIKANER in German No 1, Jan 94 pp 1, 3

[Editorial by Republikaner Chairman Franz Schoenhuber: "Germany—Where Are You Going? 1994—Year of Decision"]

[Text] "Our economic-technological system, applied by a centralizing bureaucracy craving to rule, is eating itself up as Saturn ate his children; we are overpopulated, have overfabricated and overproduced, are overfed, and have dehumanized our public servants with letters and ink, dispirited the administration, and dissolved everything into a dead mechanism!"

Karl Reichsfreiherr vom und zum Stein, written in the first third of the last century.

This dead mechanism is more "alive" today than ever. The established political class has moved too far away from humanness, adopted dictatorial practices, and only knows one objective: survival at any price, even at the price of the decline of its own people: apres nous le deluge [after us the deluge]!

Have we learned something from the historical catastrophe that was the result of a Nazi regime gone hubristic? Maybe that we walk upright?

I have experienced the Third Reich fully aware of what it was, so I allow myself to compare it with other systems, and I claim that the people who lived at that time had a higher degree of personal courage than the present generation. Moreover, one must take into account that resistance in those unfortunate 12 years not only meant restrictions or even the loss of one's civil existence, but that quite frequently it even lead to death. We Republikaners are filled with great pride that a man such as resistance fighter Hans Hirzel, member of the "White Rose," has found his political home in our party.

What legitimizes those who were born later to condemn those who were maneuvered into a bitter time by fate? The regime was criminal, but the people who lived under it were not. They were victims of a megalomania that covered up its real intentions very well at the beginning. However, they were also victims of the failure of the parties in the Weimar Republic.

Those who, today, want to spare the FRG the fate of Weimar, and who want to save our people from another moral and cultural decline, have to go to the roots and not just treat the symptoms. The renewal and consolidation of democracy must be everyone's cause and not be left only to those who call themselves representatives of the people, and who frequently only represent interests of their own or of certain groupings. Petitions for referenda and referenda must be rated more highly.

The watering down of traditional links and values must end, liberalism must not be confounded with libertinism. The harmful influence of the American way of life, which is characterized by success-based thinking at any price, must be forced back. These influences are particularly strong in the sphere of movies, radio, and television. The struggle for audience rating eliminates the last ethical and moral scruples. Women are made the object of lusty craving, degraded into merchandise and cheap labeled articles. The sexual act is exhibited on the screen, just like that between apes in a zoo, in all its varieties and deviations. While Africa is putting on clothes and listening to Mozart, we are taking off clothes and discovering the particular artistic value of the bush drum.

Even children are harnessed to the cart of the advertising industry and confronted day after day with the representation of violence of the worst kind. Such representations seduce people into imitating them, and we citizens even promote these activities by paying excessively high fees. One has to think intensively about abolishing these fees.

The churches bear a great part of the blame for the moral decline. They subject themselves almost unconditionally to the zeitgeist to deviate attention from their failure in the Third Reich. Here it is also true that churchmen showed more backbone in the Nazi state than their successors do now. I would like to mention Cardinal von Galen or Pastor Niemoeller in this connection.

I am of the opinion that the spying activities of Manfred Stolpe, the current minister president of Brandenburg and Evangelical churchman, must be regarded as worse than the divisive and ingratiating attitude of the then "Reichbishop" Mueller in the Third Reich. Mueller acted openly, while Stolpe was spying behind people's backs.

We Republikaners are in favor of the separation of Church and State. What Frederick the Great said is valid for us, namely that each may be saved after his own fashion. Where is the Christian way of doing things of political pastors from Hintze to Thierse? As we can see, even for somebody like Mr. Hintze a lie is a "bourgeois prejudice"—just as it was for Lenin.

The church tax has favored this moral degeneration. Church servants have become church earners. Moral regeneration of the churches will only be possible when they go back to the status of the early Christians, when they renew themselves in the catacombs, so to speak.

Even many years before Bluem, who ultimately caved in anyway, we requested that the church tax not be levied by means of the state. Besides, we regard it as legitimate to hold a referendum on whether the church tax makes sense or does not.

What must also be exposed is the hypocrisy, particularly in the case of "Christian" politicians, who are least qualified to moralize. In my former capacity as a journalist I repeatedly had the experience that the first thing leading Christian Social Union officials did once they arrived at their destination on an official visit was to ask for the address of a brothel, and then they exchanged their "experiences" with a twinkle in their eyes. They are the same politicians who appeared with their entire families at Catholic Church or Evangelical Academy receptions, effectively displaying their deep piety in public. If we Republikaners were to strike back with the same instruments the established parties and their foundations are using against us, I would guarantee the moral "decapitation" of quite a few Christian politicians and even Catholic dignitaries, who clandestinely live in pseudomarital conditions, while calling from their pulpits for compliance with the Church's commandments.

We are all human beings. And who will throw the first stone? We will not! We will not even throw back the stones that bear a signature and are aimed at us. We want an open exchange but will not hit below the belt. We have political opponents but not enemies. If a politician like Mr. Stoiber says the "enemy stands at the right," then this proves, first, that he does not know the first thing about the rules of the game of democracy and, second, that in order to stay in power he is capable of doing anything. After all, as everybody knows, he is determined to conduct the election campaign with ideas right of center.

Let us not deceive ourselves. Even our party is not yet everywhere in the best possible shape necessary to credibly represent our causes. Self-criticism must not become a foreign word for us. Our program is good. We must manage to bring our program and members to one level everywhere.

The year 1994 is the year of decision—not only for our party, but also for our people. The zeitgeist is abdicating; it has no more money. That gives us a chance! Let us do everything we can to make sure people cannot say at the end of the year: tried and found wanting! I believe in our success!

Poll Shows Scharping Leads Kohl by 3 Percent

AU2101184094 Berlin DIE WELT in German 21 Jan 94 p 2

[Report signed "dm": "Poll: Scharping Still Ahead of Kohl"]

[Text] Berlin—According to an opinion poll, Rudolf Scharping, chairman of the Social Democratic Party of Germany [SPD], continues to be more popular than Chancellor Helmut Kohl. A total of 31 percent of 2,522 persons polled by the Forsa Institute supported Scharping, and 28 percent Kohl. Thus, Scharping has won another percent after the verbal duel at the Bundestag during the budget debate. Kohl lost 1 percent.

Asked about the different parties, 42 percent endorsed the SPD—2 percent more than last week. The Christian Democratic Union/Christian Social Union lost 2 percent and was only supported by 34 percent. Alliance 90/Greens achieved 8 percent in the weekly Forsa poll carried out on behalf of RTL, and the Free Democratic Party of Germany 7 percent.

Chances are also increasing for the Party of Democratic Socialism [PDS] to reenter parliament after the next elections. In the most recent Allensbach poll, the successor party of the Socialist Unity Party of Germany achieved over 5 percent (5.3) for the first time. In eastern Germany, its share of votes doubled from 1992 to 1993 to 21.9 percent. In the Brandenburg local elections, which took place at the beginning of December, the PDS emerged as the second strongest party (21.2 percent).

The PDS also notes growing support in the West. Election manager Andre Brie estimates PDS potential at approximately 2 percent. "Our election opportunities have, so far, been massively underestimated." This should change. The fight for votes and mandates is being strategically planned. A total of 17 million German marks will be made available for the campaign for the Bundestag and European elections. Brie mentioned these figures in Berlin yesterday.

To explore the mood among the people, the PDS engaged several polling institutes. The tenor of the results is: Over 50 percent of the east Germans and approximately 15 percent of the west Germans are likely to endorse the "leftist-opposition" spectrum and, thus, the PDS. Brie hopes for considerable support among those younger than 25. According to Emnid, 55 percent of this age group support the PDS campaign against the asylum law and the great bugging campaign.

Brie considers the fight for the nonvoters decisive for a PDS success. A total of 43 percent of the citizens in the new laender (35 percent in the west) want to boycott the upcoming elections.

Opinion Poll Shows SPD Ahead of Coalition

AU2201203094 Berlin DIE WELT in German 22-23 Jan 94 p 1

[Unattributed report: "Political Barometer: SPD Leading in Economic Competence"]

[Text] Mainz—A total of 48 percent of Germans expect the Social Democratic Party of Germany [SPD] to win this autumn's Bundestag elections, while only 17 percent think the Christian Democratic Union/Christian Social Union [CDU/CSU] will come out on top. This is the result of an opinion poll conducted by a Mannheim-based research group for the ZDF television network's "Political Barometer."

If elections were held now, the CDU/CSU would gain 36 percent of the votes—this is 1 percent less than last December. The SPD still holds at 39 percent and the Free Democratic Party of Germany at 6 percent, while the Greens/Alliance 90 are supported by 10 percent, the Republikaner by 4 percent, and the Party of Democratic Socialism by 3 percent of the voters. Scharping, the SPD candidate for chancellor, has the approval of 52 percent of the voters, while Chancellor Kohl's (CDU) rate of approval is at 34 percent.

The research group conducting the poll considers the main reason for this trend to be a shift in competence regarding economic issues. Thus, 39 percent of those polled are confident that the SPD could solve the problems in eastern Germany—this is 7 percent more than six months ago, while only 24 percent consider the government able to do so—4 percent down on last July. Only 30 percent think the present government is able to solve the economic problems in the west (minus 6 percent); 41 percent consider the SPD competent (plus 8 percent).

Manfred Brunner Forms New Party

AU2301192194 Mainz ZDF Television Network in German 1800 GMT 23 Jan 94

[Text] Federation of Free Citizens is the name of a new party founded in Wiesbaden today by former Bavarian Free Democratic Party of Germany Chairman Manfred Brunner. The objectives of the European critic are less European centralism, no joint currency, and a market economy-oriented policy.

Commentary Views Clinton's First Year in Office

AU2301185594 Munich SUEDDEUTSCHE ZEITUNG in German 22-23 Jan 94 p 4

[Commentary by Josef Joffe: "Mark Two"]

[Text] At the beginning of Bill Clinton's presidency, it looked as though the candidate would have to expect a 4 [out of a possible 5] for overall performance on his year-end report card. In domestic policy, one blunder followed the other, especially in personnel matters. To date, many of his candidates are still in limbo between being confirmed by the Senate and sinking into oblivion. Foreign policy did not take place—and if it did, it deserved the rating: "idea good, execution inadequate."

After one year in office, Clinton deserves a 2. In domestic policy, he has meanwhile shown a good performance. Cutting the deficit has begun and a general health insurance and the control of portable firearms are under way. Following Somalia (3-) and Haiti (5), he got three good marks in foreign policy: for concluding GATT, for ratifying the free trade agreement with Canada and Mexico (NAFTA), and finally, Clinton's top performance at the NATO summit.

Unfortunately, however, it is not just the bitter cold at home that troubles him on his first anniversary. In time for the anniversary, a special public prosecutor was appointed to look into the Clinton's alleged embezzlements in connection with the Whitewater company. The same thing happened to Richard Nixon, and that is why Washington now has a Whitewatergate. What if the affair ends up in smoke? In this case, Clinton has the best chances of getting reelected in 1996. For, the economy is finally recovering and, as we all know, election results are predetermined by the purse.

Juppe, Leotard Criticize Butrus-Ghali Over Cot Dismissal

AU2101205394 Paris AFP in English 2040 GMT 21 Jan 94

[Text] Paris, Jan 21 (AFP)—Foreign Minister Alain Juppe criticized the United Nations' dismissal of French General Jean Cot as UN Yugoslav commander Friday [21 January], as UN Secretary General Butrus Butrus-Ghali arrived on a private trip.

There was "apparently a problem because he is the fourth general who has been 'worn out' in former Yugoslavia by the United Nations system," he said. "This system must be going wrong somewhere."

Cot's withdrawal, at Butrus-Ghali's request, follows that of French general Philippe Morillon and Belgian Francis Briquemont, who in various ways criticized the UN's apparent impotence in former Yugoslavia.

Juppe's comments were echoed by Defence Minister Francois Leotard who said there was "a crisis" at the UN, adding that France was planning to send the world body a memorandum demanding to "determine the conditions of employment of French forces" in Bosnia.

"If there is not a crisis between France and the UN, there is a crisis within the UN itself."

UN Secretary General Butrus Butrus-Ghali arrived here late Friday for a two-day private visit but diplomatic sources said he could meet government officials during his stay.

Shortly after arriving from Amsterdam he met Georgian President Eduard Shevardnadze who was ending an official visit to France and who delayed his departure to meet the UN head.

Defense Minister Critical of UN Over Bosnia

LD2101210994 Paris France-2 Television Network in French 1900 GMT 21 Jan 94

[Excerpts] The day after yet another setback at the Geneva talks on Bosnia, with all camps seeming to favor the logic of war, the question is being raised more and more openly of the continuing presence of the Blue Helmets, first by the British—who nevertheless rule out withdrawing alone—and also by the French. Today a Foreign Ministry spokesman stated that the departure of the Blue Helmets is, I quote, an option among others, while stressing the negative consequences that such a decision would entail.

Some of the French Blue Helmets have arrived back at their barracks in Frejus . Sandra Smit and Didier Beaumont report:

[Smit] [passage omitted] The defense minister made a point of paying tribute to the men of the 21st Regiment of Marines in Frejus, but also to the 9,000 French troops still deployed on the ground. [passage omitted] As Francois Leotard stressed, the political decisions of the UN take precedence over the demands of the military authorities.

Since the outbreak of the Bosnian conflict, several generals have overstepped the rules. In the defense minister's view, this is no chance coincidence and the United Nations should reconsider the matter:

[Begin Leotard recording] We believe that if there is a crisis, it is not a crisis between France and the United Nations. It is a crisis within the United Nations itself, with particular reference to its ability to handle situations as complex as that obtaining in the former Yugoslavia, to the chain of command, and also to the infirmity of the general staff in New York, which is obviously not adapted to this type of situation. [end recording]

[Smit] Francois Leotard will soon be sending a memorandum to the United Nations, asking for very clear guidelines on the terms governing the use of the French troops, and above all on whether they are needed at all.

Juppe Comments on Bosnia, Mideast Issues

LD2101235094 Paris Radio Monte Carlo in French 1815 GMT 21 Jan 94

[Interview with Foreign Minister Juppe by Christine Fauvet-Mycia and Sylvie Pierre-Brossolette in Paris—live]

[Excerpts] [Fauvet-Mycia] Good evening, Mr. Juppe.

[Juppe] Good evening.

[Fauvet-Mycia] [passage omitted] We start with Bosnia and the first question from Sylvie Pierre-Brossolette of L'EXPRESS.

[Pierre-Brossolette] Following the failure of the Geneva talks, you are proposing a complete review of the whole Bosnian issue. Is this a diplomatic way of saying that nothing more can be done, or do you really hope to get anything out of your current international contacts?

[Juppe] Whatever the temptation, we cannot say that nothing more can be done. If I proposed a review of the issue, it is because the time has come to ask some fundamental questions. We have taken many initiatives since last April. France is behind the adoption of the UN resolution on sanctions; we can see its impact today. France also launched the idea of the security zones, which was adopted but not implemented. We, that is German Foreign Minister Klaus Kinkel and myself are behind the plan which brought about the European Union initiative. All this has failed, and we must have the courage to say so.

In Geneva in the last 48 hours, the various parties went back on the agreement in principle which they gave in November or December. As far as the NATO summit initiative launched on 10 and 11 January is concerned, it included two concrete operations: one to reopen the airport in Tuzla, the other to organize the relief of the Canadian contingent in Srebrenica. These operations are still bogged down in endless talks. This cannot go on like that.

Should we leave? This is the question some are asking today, particularly in the foreign countries which are providing troops. What would be the consequences of a pullout? Have they been clearly assessed? [They are] the humanitarian catastrophe which would undoubtedly ensue, and the risk of a general conflagration in the region. Those who believe that a pull-out is unavoidable and who create the conditions for a pullout should weigh their responsibility in such a contingency. If a pull-out of UNPROFOR [UN Protection Forces] is ruled out, how can we get out of the diplomatic deadlock in which we are trapped today? Perhaps all the great powers, and not only the 12 countries of the European Union, should get more deeply involved in telling the three warring factions: That's enough now.

[Questioner] Is that what you are now asking your partners to do?

[Juppe] This is what I am assessing; this is what I said yesterday. With all our partners, I am now considering, if you allow me to say so, how we could bounce back. As you know, the American secretary of state will be in Paris over the weekend; I will meet him on Monday, I believe. I have contacts with my German and British colleagues too. In short, we must look for a way out of the deadlock in which the warring parties have trapped themselves. Things must be clearly said. At the start of the conflict, it was rightly said that the Serbs were the aggressors. They were the aggressors. The Croats too have a great deal to feel guilty about. However, today, all observers monitoring developments on the ground, and that includes the UNPROFOR staff which drafted telling reports, agree that the Bosnian army, the army of the Bosnian Muslims, has more equipment and more men and now considers that it can achieve its goals through war and not through negotiations. This must be said in order to apportion responsibilities to the various parties and to move forward.

[Questioner] At a time when others are on the verge of giving up, do you believe that France will be able to remain the only one to say that something must be done?

[Juppe] We cannot grow tired and as far as I am concerned, whatever the difficulties, I shall not grow tired. You are right to point out that when one considers what is happening on the international stage, France is probably the country that has done the most. First, thanks to its soldiers on the ground; they are playing a wonderful role. Then, through the financing, with its partners within the European Union, of the largest share of the humanitarian aid. And finally, through the multiplicity of its diplomatic initiatives, which I recalled earlier.

[Questioner] Are you already considering that you might have to explain that soldiers in the area might have to pull out next spring or next winter?

[Juppe] Earlier in this program I tried to outline the consequences of such a pullout, so before rushing into this easy solution which might be welcomed by some of our partners, we must think carefully and, I repeat, weigh all the consequences and look for other solutions. The other solution, which I believe is the only one which would prevent a disaster today, is a diplomatic initiative by all those who can influence the three warring factions. You can see today that some of these factions feel encouraged by the absence of our great international partners, encouraged to continue fighting. It must be put to them clearly that there is no solution in this direction.

[Questioner] How do you explain the fact that General Cot has been recalled by the United Nations? Valery Giscard d'Estaing told the [National Assembly] Foreign Affairs Select Committee yesterday that General de Gaulle would have never accepted such a decision. How do you react to these remarks?

[Juppe] I am a Gaullist, but I do not believe I am entitled to speak on behalf of General de Gaulle.

[Questioner] What about the recall of Gen. Cot? Do you understand this?

[Juppe] Listen, we were told that this was taking place in the framework of a rotation within the UN system. Having said that, I will remind you of something obvious, something simple which is not a criticism of anyone, namely, the supreme authority commanding Gen. Cot in the framework of UNPROFOR is the UN secretary general.

[Questioner] Don't you believe that, at times, there are double standards and that the UN is sometimes harder on some French or European generals than it is on American generals, in Somalia for instance?

[Juppe] Perhaps.

[Questioner] Therefore we cannot understand the reactions and the arguments provoked by this recall.

[Juppe] I did not condemn any reaction, I simply refuse to take part in any argument. Having said that, I will naturally mention this to the UN secretary general when we next meet. There is probably a problem. I believe this is the fourth general to have been thus expended, if I may use this word, by the UN in the former Yugoslavia. This means that this system must contain a certain number of—how can I put it?—a certain number of dysfunctions.

[Questioner] Do you intend to visit the area and are these visits to the area useful?

[Juppe] You know I am not very keen on media diplomacy, and in some of these visits, promotion through the media is often at the forefront. I might go there if it is useful, if it enables me to understand better, to have a constructive and positive meeting with the authorities in Sarajevo.

[Questioner] Is this planned; have you got a date?

[Juppe] I am considering the issue, but I have not decided on a date yet.

[Fauvet-Mycia] Mr. Juppe, we have three short questions concerning foreign affairs. First, Algeria: Are you optimistic following the recent goodwill gestures made by the Algerian Government in favor of the Islamists? Do you expect more gestures?

[Juppe] I am not optimistic as far as Algeria is concerned and I note that the situation is still deteriorating; there is, in particular, growing violence. I hear some people asking: What is France doing? I would like to point out that we do not hold the solution to all problems. First of all the Algerians themselves have to solve this conflict, which is looking more and more like a civil war.

What we did first was to take the necessary security measures to prevent too many threats against our nationals. Unfortunately, these measures are not fully effective. We also encouraged the Algerian authorities to make some moves, since conservatism, the status quo, brings failure. They made some moves in the economic sphere. Unfortunately, the political climate is such that this economic reform, which will probably be included in the agreement which the Algerian Government reaches with the IMF, will certainly be extremely difficult to implement. The various ways for a meaningful dialogue must be explored.

[Fauvet-Mycia] Let us go further east, to Saudi Arabia. You have just been there with Edouard Balladur. It was an obvious failure, you did not sign any contracts. What happened? Everyone is puzzled. Why go there if you do not bring back anything? What was the mistake? Was it because the Quai d'Orsay was not involved in the negotiations?

[Juppe] We do not have such ambition. I have visited Saudi Arabia before, several ministers have visited it. It is absolutely necessary to have a close relationship with this country, which plays an important political and economic role. The prime minister rightly visited this country and, in particular, you will see that three large contracts will materialize in the coming days.

[Fauvet-Mycia] Concerning which areas?

[Juppe] You will know when they are announced. I am always very prudent where contracts are concerned. You must have two partners agreeing before you can announce anything.

[Fauvet-Mycia] With regard to Franco-Chinese relations, Michel Rocard spoke of disgrace for France. I assume you will tell me that this is somehow disproportionate, but were all the necessary steps taken? Was the Quai d'Orsay left on the sidelines in this instance, too?

[Juppe] Listen, one cannot just say anything—I am naturally referring to Mr. Rocard. One of my very first goals when I became foreign minister was to re-establish normal relations with China. Every step came from our side. I have the list of the meetings which I chaired myself, or which the prime minister chaired at my request, in order to achieve this result. This is a diplomatic success which I am claiming as one of the achievements of French diplomacy and, once more, Mr. Rocard—who has no clear idea whatsoever on foreign policy—has lost the opportunity to remain silent.

He may be obsessed with arms sales to Taiwan, that is his problem, but to choose between Taiwan and a country numbering 1.3 billion people, a country which is one of the world's leading powers, a country achieving an annual growth rate of 13.5 percent, to choose as he does is either shortsighted or evidence of a political negativism—which by the way is Mr. Rocard's trademark. You will note that he has become Mr. Nyet—he says no to everything; this is a kind of stubborness in the opposition which, it seems, is a sign of the future candidacy in the presidentioal elections. This has nothing to do with diplomacy.

I repeat that I am deeply satisfied with what has been achieved, and the Quai d'Orsay played its full role in this, as might have been expected. [passage omitted]

Mitterrand Assures Shevardnadze of 'Solidarity'

AU2101171794 Paris AFP in English 1651 GMT 21 Jan 94

[Text] Paris, Jan 21 (AFP)—Georgian President Eduard Shevardnadze and French counterpart Francois Mitterrand on Friday [21 January] signed a friendship treaty at the close of a two-day official visit by the Georgian leader.

Shevardnadze also initialled the Paris charter of the Conference on Security and Cooperation in Europe (CSCE) which sanctioned the end of the Cold War.

Shevardnadze already signed the charter in 1990 when he was foreign minister of the former Soviet Union.

Mitterrand, referring to Georgia's economic difficulties and the Abkhazia secession, said Tbilisi "can count on the solidarity of its friends."

In a meeting on Thursday with French business leaders, Shevardnadze said France could make a great contribution to exploiting his country's assets and pulling it out of a catastrophic recession.

Mitterrand Calls For 'New Departure' in PRC Relations

AU2201171494 Paris AFP in English 1706 GMT 22 Jan 94

[Text] Paris, Jan 22 (AFP)—French President Francois Mitterrand on Saturday [22 January] called for a "new departure" in Franco-Chinese relations after talks with the Chinese foreign minister formally healed a rift over French arms sales to Taiwan.

Mitterrand, during a 30-minute meeting with Qian Qichen who arrived earlier Saturday, said he wanted to "give a new departure to our relations. It would be beneficial for both our countries."

The French president was quoted by his spokesman Jean Musitelli, who added that the meeting "confirmed the desire for a rapprochement" on both sides.

Mitterrand notably said that "we must increase initiatives now that we agree that things should improve."

Qian told reporters after his meeting with Mitterrand that "the future of Sino-French relations is very promising," when asked about prospects for economic and industrial cooperation.

But later Foreign Minister Alain Juppe rebuked China for its human rights record, saying "a lot must still be done" in that area.

But Juppe said that Qian's trip to France marks "a new departure" in Franco-Chinese relations following the healing of the year-long rift over French arms sales to Taiwan.

He said in addition to the human rights issue his meeting with Qian also focused on nuclear proliferation, regional conflicts and the role of the UN Security Council of which Beijing is a permanent member.

The minister's three-day official visit was scheduled after Franco-Chinese relations returned to normal on January 12 when Paris pledged not to conclude any new arms contracts with Taiwan.

Relations had been strained for a year after a contract for the sale of 60 Mirage 2000-5 bombers to Taiwan, followed up by the sale of gunboats, but Juppe said these contracts would be honored although France would not be signing any new arms sales agreements.

Mitterrand noted that "in recent years, Franco-Chinese relations went through difficulties, particularly because of a dip in trade," according to Musitelli.

Qian, pointing out that China was experiencing high growth rates, said his country "is a market with strong potential for foreign businesses, particularly French ones, which are welcome."

French businessmen are keen to return to the lucrative Chinese market after being excluded over arms deals with Taiwan.

A pro-Tibet committee on Thursday urged French authorities to push the issue of human rights in the autonomous region during Qian's visit.

Qian was due to meet French Prime Minister Edouard Balladur on Monday. Balladur is soon to pay a visit to China, probably in March.

On Monday he is also to meet U.S. Secretary of State Warren Christopher to discuss human rights issues, conditional on the United States renewing China's most favoured nation status next June.

Juppe Says PRC 'Must Work To Improve' Human Rights

AU2201161394 Paris AFP in English 1552 GMT 22 Jan 94

[Text] Paris, Jan 22 (AFP)—China must work to improve its human rights record, French Foreign Minister Alain Juppe said Saturday [22 January] following a meeting with his Chinese counterpart Qian Qichen.

"A lot must still be done" in that area, he said.

On Monday Qian is also to meet U.S. Secretary of State Warren Christopher to discuss human rights issues, conditional on the United States renewing China's most favoured nation status next June.

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Mitterrand Views Security Guarantees for East Europe

AU2201203794 Sofia KONTINENT in Bulgarian 17 Jan 94 p 3

[Interview with President Francois Mitterrand by Svetoslav Terziev; place and date not given: "Bulgaria Advanced in Transition Toward Democracy"]

[Excerpt] [passage omitted] [Terzivev] Who could guarantee Bulgaria's security after the disappearance of the communist military system? Could it remain a neutral state or should it join the Western structures, such as NATO and the Western European Union [WEU]?

[Mitterrand] I fully understand Bulgaria's concern regarding the situation we call the "security vacuum" in Central and East Europe. There are several ways to cope with this situation. The sense of insecurity, which is based on military considerations, springs from various other forms of instability that are related to the country's economic, social, and even ethnic situation. Therefore, France has proposed initiatives of preventive diplomacy that aim to prevent or decrease tension. This is the essence of the French idea on the pact of stability, which was adopted by the European Union. The other possibilities lie in strengthening bilateral cooperation, which we subscribe to. The third possibility is in working to bring the countries of Central and East Europe closer together, on the one hand, and the European security organizations and associations, on the other. In this context, France advocates opening up those structures to the aforementioned countries. France proposed a formula for the association within the WEU of the countries that have already been associated or are in the process of associating with the European Union.

In addition, it is well known that the last NATO summit adopted the Partnership for Peace initiative. As I said in Brussels, this concept allows us to respond to the concern of states that want to associate with NATO and also avoid Russia's negative reaction—which a new division of Europe would have caused, something that would have been detrimental to European security. For me, Partnership for Peace means that no threat could be directed against the sovereignty and territorial integrity of any partner state without affecting the other partner states. [passage omitted]

Editorial Cites Clinton's Foreign Policy 'Weaknesses'

BR2101131794 Paris LE MONDE in French 21 Jan 94 p 1

[Editorial: "Mr. Clinton's First Year"]

[Text] One year after his inauguration (20 January 1993), Bill Clinton is enjoying rather comfortable approval ratings. According to various surveys, 54 to 60 percent of Americans say they are satisfied with their 42d President. This is a dramatic recovery after a difficult summer during which George Bush's successor had fallen lower in his fellow citizens' esteem than any President since World War II.

"America first," such was the tireless rallying cry of democratic candidate Clinton throughout his electoral campaign. The promise was kept. Mr. Clinton managed to get Congress to approve a budget that is a first step on the deficit-cutting road. He also pushed through a plan for penniless university students to retroactively finance their education through community service. Above all, he saw to the passage of the Brady Bill, which imposes a five-day wait on gun sales in order to check the buyer's criminal record and which had been stalled for years.

A blueprint for health care reform—the President's grand design, and that of his wife Hillary—was unveiled. Mr. Clinton did not wobble on the essential aspect of it, which is offering health insurance to all Americans, regardless of their financial resources. Debate in Congress on the ambitious project will likely take up the better part of 1994. Even if the final result does not fulfil all hopes placed into the reform, M. Clinton can at least be credited with tackling a vital issue which his predecessors had cagily eschewed.

The year 1993 ended with two successes as regards international trade liberalization: The passage by Congress of the North American Free Trade Agreement with Canada and Mexico, and the successful conclusion of the Uruguay round of GATT. Mr. Clinton's intensive last-minute canvassing of Congress members in the former case and his ability to demonstrate a measure of flexibility so as to carry the day in the latter were major factors in these two victories.

This year's weaknesses are to be found on foreign policy, with the exception of trade matters. In Bosnia and Haiti, after looking determined to act, Mr. Clinton backed down. He also let himself be foiled by General Aidid's stubborn resistance in Somalia. However, all this—including his perhaps indiscriminate support to Boris Yeltsin—hardly matters in the eye of his fellow Americans. Most important is the fact that Mr. Clinton's first year in the White House was also the one during which America reacquainted itself with economic growth.

Authorities Place Kurdish Leader Under House Arrest

AU2301140394 Paris AFP in English 0143 GMT 23 Jan 94

[Text] Paris, Jan 22 (AFP)—French authorities have placed under house arrest a Kurdish leader and are planning to expel him despite his assertion that his political actions are legal, an anti-racism group said here Saturday [22 January].

The Movement Against Racism and for Friendship Between People said Azad Dere had been questioned by police in Paris on Thursday and then ordered to remain at home in the south of France.

Interior Minister Charles Pasqua signed an expulsion order for Azad Dere on December 30 as part of a Europe-wide crackdown on Kurdish activists.

Dere told AFP by telephone he had been detained while acting as an interpreter for a visiting Kurdish delegation.

"My activities in France are perfectly legal," he said. "I have a resident's permit that is valid until 2003."

Police have placed him under house arrest "until they can find a country that will accept me after my expulsion from France," he said, adding that the expulsion order was a result of pressure from the Turkish Government.

On November 18, police carried out an operation against Kurds suspected of involvement with the Kurdistan Workers' Party, which is fighting the Turkish Government for an independent state.

Sixteen of the Kurds detained in the raids are still being held and three others are under house arrest. Azad Dere slipped through the net while he was attending a meeting of the European Parliament in Strasbourg.

In a statement, the Movement Against Racism demanded Azad Dere's immediate release, charging that "this new act of complicity (with the government in Ankara) dishonored France."

Andre Rossinot Elected Radical Party President

AU2301144394 Paris AFP in English 1438 GMT 23 Jan 94

[Text] Paris, Jan 23 (AFP)—Andre Rossinot, France's minister of civil service and the mayor of Nancy, was elected president of the centre-right Radical Party Sunday [23 January], a post he already headed in the 1980s.

A veteran French politician who was close to the conservative former prime minister Raymond Barre, Rossinot has been a deputy for the center-right Union for French Democracy (UDF), of which the Radicals are a component, in the Meurthe-et-Moselle region since 1978.

He was a member of the Radical Party's Executive Committee in 1978 and its secretary general in 1979. He became president of the party between 1983-88.

He has been mayor of the northeastern city of Nancy since 1983.

Ciampi Rejects Interior Minister's Resignation

*AU2101195494 Paris AFP in English 1936 GMT
21 Jan 94*

[Text] Rome, Jan 21 (AFP)—Italian Interior Minister Nicola Mancino tendered his resignation Friday [21 January] over a scandal involving secret service funds but saw the offer rejected by Prime Minister Carlo Azeglio Ciampi, officials said.

Mancino offered to quit saying that Rome prosecutors had gathered documents which could lead to his being investigated in connection with the Sisde (intelligence service) affair involving corruption in the funding of the secret services.

The documents in question had been sent to the three investigating judges who could launch legal proceedings against him, officials said.

But Ciampi said in a statement that he had "full confidence" in Mancino, adding that the transfer of documents for consideration by the judges "is an obligatory measure, which does not constitute a formal charge."

Mancino was implicated in the Sisde affair along with three former interior ministers, including current Italian President Oscar Luigi Scalfaro, by former members of the secret services.

Popular Party Opens Congress Without Leftist Alliance

*AU2201185694 Paris AFP in English 1830 GMT
22 Jan 94*

[Text] Rome, Jan 22 (AFP)—The Italian Popular Party (PPI) opened its founding congress here Saturday [22 January] by firmly rejecting an invitation by the formerly communist Democratic Party of the Left (PDS) to join a left-leaning alliance.

PPI officials, seeking to regroup forces from the ex-Christian Democratic (DC) Party and outline a strategy and alliances for the upcoming March elections, left open the possibility of joining a right-wing alliance.

Rosa Russo Jervolino and Mino Martinazzoli, respectively president and national secretary of the PPI, told a crammed constituent assembly in Rome's conference center that they would refuse to "forge alliances that would contradict the identity of the new party."

Occhetto was wrong to invite the PPI to joining his progressive alliance and thus make the PPO "a satellite," Martinazzoli said to strong applause.

"We are not looking for solitude, we are not against joining forces, but we have paid such a high price for our mistakes that we will never renounce our reason for existing," he said.

Jervolino insisted the PPI would "maintain an identity as a party of Christian inspiration even if it should mean losing votes" and said she would set three conditions for any alliance—solidarity, democracy and national unity.

The PPI, which adopted its new name last Tuesday, has been troubled from its inception, as a break in DC ranks led to the creation of a parallel centre-right party, the Christian Democratic Centre, whose avowed aim is to form an alliance with the federalist Northern League of Umberto Bossi.

Over the past few months, other former Christian Democrats have also left to join the conservative right or the progressive alliance of the left.

According to a survey of 1,700 voters carried out by the CIRM polling institute for Telemontecarlo television, an alliance of the Popular Party and the "Pact for Italy" launched by ex-DC centrist Mario Segni would win 22 percent of the vote, the same as its main rival, the ex-communist Democratic Party of the Left (PDS).

Segni, who is a candidate to head the future government after the March 27-28 elections, began consultations on Friday to determine who would rally to his movement which presents itself as a centre-right alliance with no ties to the neofascist Italian Socialist Movement (MSI).

Segni's first meeting with Martinazzoli appeared Saturday to have led to agreement on a broad plan of action.

The two men, considered in the moderate DC tradition, are seeking to enlarge their movement from its traditionally Catholic base to include lay forces.

Most observers say, however, that an alliance between the Northern League and the moderate centre-right axis would stand the best chance of winning the upcoming elections.

Also Saturday, neofascists and hardline communists were holding their respective congresses Saturday at a hotel close to the PPI congress.

The congress of the "Refounded Communists" was in its third day at Rome's Ergife hotel, where the "National Alliance" of the neofascist MSI and other ultra-conservative leaders were also meeting.

These two movements are trying to convince voters that they have become moderate enough to be able to join any future government alliance.

Neocommunist Congress Elects New Leader

LD2301200494 Rome RAI Due Television Network in Italian 1845 GMT 23 Jan 94

[Text] The congress of the neocommunists is drawing to a close. The congress has elected a new party secretary in Fausto Bertinotti. There were bitter arguments over the decision to change the Communist Refoundation Party into a force for government. Guido Dell'Acquila reports:

[Dell'Acquila] The change in the Refoundation Party has been achieved. The manifesto proposed by the United

Left group, which faced the thorny issue of governing the country, obtained 70 percent of the delegates' votes. In other words the majority, led by Cossutta, Magri, and Bertinotti, saw their manifesto win approval by a wide margin. However, the margin does not conceal the deep splits and the anxiety which this choice provoked.

The results of the vote to elect a new executive will not be known for a few more hours. It is already known, however, that Bertinotti will be the new party secretary. He replaces Garavini, who resigned six months ago. In the meantime Cossutta has been reelected to the post of party chairman. After four days of debate this congress for change is coming to an end. The Refoundation Party, which is more used to being in opposition, is looking at the new political set-up with a mixture of hope and regret.

People's Party Formed; League Rejected

BR1901162694 Rome LA REPUBBLICA in Italian 19 Jan 94 pp 2-3

[Report by Gianluca Luzi: "People's Party's Challenge; Martinazzoli Sets Course: Yes to Segni, No to Bossi"]

[Text] Rome—"We want to be involved. We want to play a leading role, too, with our own style and standards, and a loyalty to our origins." The People's Party had been in existence for a couple of hours—from 1610 [1510 GMT] on 18 January 1994, to be precise, 75 years after don Sturzo's appeal "to free and strong men." Mino Martinazzoli, speaking softly, with head bowed, as though looking within himself, but without foregoing his recherche vocabulary, explained to the small group of guests—the most prominent of whom were the speakers of the Senate and the lower house, Spadolini and Napolitano—that the new PPI [Italian People's Party] is the sole heir to don Sturzo and De Gasperi and therefore to the DC [Christian Democratic Party], which no longer exists, as of yesterday afternoon.

Proud and stubborn to the point of standing alone at a time when those who remain alone are in danger of disappearing from the political map, Martinazzoli supported his challenge with an argument that it will be up to the voters to either approve or disapprove: "Our ideas," he said, "are still fresh and current."

Martinazzoli can see trouble on the political horizon. He described a scenario "laden more with cynicism than with civility, full of masks and disguises." A time when there is "a split between ordinary society, the parties, and the state, the consequent threat looms of a political vacuum, and of the decay of our moral unity."

In this grim scenario, Martinazzoli threw down a challenge. This, without concealing the fact that "we do not have many chances of being reborn; we have only one." The PPI presents itself as a center party, "in line with a lofty philosophy of moderation, which is anything but moderatism, neutrality, or a conservative spirit." This citing of "moderation" embodied all Martinazzoli's antipathy for politics understood as a contest between a right and a left. "We," the People's Party leader proclaimed, "reject the logic of blocs, the radicalization of the contest, or the short-cut method of the face-lift. Since we reject the idea of the closed party, we therefore deny that this rationale can be transferred now to a broader but equally rigid ideological juxtaposition or to an artificial contest between cartels labeled in accordance with some vacuous mannerism. We are seeking, rather, points of contact consistent with our own identity and proposals, within the context of the liberal and democratic tradition."

In fact, the meeting with [Pact for Italy leader] Mario Segni took place a while ago, and there will be no more before the elections—no accord with the League, no understanding with Berlusconi, nor, still less, with the band of neocentrists who formed another party only a matter of hours earlier. The PPI will face the test of the elections supported only by its alliance with Segni, because what the League offered "was more of a death notice than an alliance." Martinazzoli met with [League ideologue] Maroni, because "I wanted to know what form this alliance would take in the electoral context. The answer was that in Lombardy the League would keep all the votes that they already have and would field their own candidates in every constituency. It was said—with something of a smile, to tell the truth—that the alliance would be on these terms: the League in the North and the DC in the South. That seemed to me like a death notice." Therefore "it is necessary to acknowledge the impossibility of a dialogue with the League. The offer of an alliance that it is making would be tantamount—no more, no less—to accepting the PPI's disappearance in the North, and that is unacceptable."

But Segni is about to meet with Maroni. Is the pact with Martinazzoli already facing some danger? The People's Party leader clarified one thing right away: "The rules that apply to us in our relations with the other political groupings also apply to the rationale behind our relations with Segni." This was an explicit warning: If Segni forges agreements with the League, the agreement with Martinazzoli will be broken.

Having closed the door to the right, is Martinazzoli perhaps thinking about opening negotiations with the PDS [Democratic Party of the Left], maybe after the elections, with a view to forming a government? He was very reserved on this subject. "It is clear," Martinazzoli replied, "that there is no possibility of an alliance with an interlocutor that is itself building another alliance. If I read the situation correctly, they are sending me messages via the newspaper headlines, while inviting the others to negotiations. That is a very different matter. In any case, I would have declined an invitation, because I do not believe that our role is to accede to one side or the other, as though we were some insignificant entity." But what will the PPI do after the elections? " We do not know what kind of parliament we will have after the elections. What we do afterward will depend on how much strength the voters grant us in a situation in which

I no longer enjoy any consensus from before. We are contesting the elections for the first time, and we shall see what our dimensions and our strength prove to be. On that basis we will determine our political and parliamentary orientations."

The electoral verdict will say whether Martinazzoli has won or lost his gamble, and will also say how many votes [neocentrists] Casini and Mastella have taken away from him. For the present, there were only a few words for the newly departed neocentrists: "Farewells, which are themselves painful, do not need to be combined with rebukes and criticisms. This will be my attitude, which will also be a wait-and-see attitude." He will wait and see, but "if they have left because they do not want to do what we are doing, I would like to know how I could have them back immediately afterward."

Be that as it may, Martinazzoli will not contest the elections himself, because he has decided not to stand for reelection and will remain as People's Party leader "certainly not beyond the first congress." According to Martinazzoli, it is indeed "a contradiction in terms, in a parliamentary democracy, for a party secretary not to be a member of parliament." The congress will be held after the elections: "The imminence of the elections, which have implications for us regarding our very existence, does not permit us to hold a congress right away. We will do so immediately afterward."

The PPI is newly born. As De Mita left, he was asked if it was a good day for him, too. After a moment's thought, he replied: "Yes." Then, after a further pause, he smiled, and added: "I thought about it before saying so."

Neocentrist D'Onofrio Views DC Split

BR2001161494 Milan IL GIORNALE in Italian 20 Jan 94 p 4

[Interview with neocentrist floor leader Francesco D'Onofrio by Federico Guiglia in Rome; date not given: "D'Onofrio: Under Martinazzoli's Banners, Occhetto's Hard Core"]

[Text] Rome—The Parliament had been disbanded, the government's term had ended, the DC [Christian Democratic Party] no longer existed. Nevertheless, as the sun set on the First Republic, deputy Franceso D'Onofrio did not look like a ghost. Seated, or rather, slouching on a sofa in the Chamber of Deputies, he spent the day shaking hands with those who came to pay tribute, not only DC members. He has already been consecrated as the "bishop" of the split from the Italian People's Party [PPI]: for 24 hours now, D'Onofrio has been the floor leader of the Christian Democratic Center (so far comprising 23 former DC deputies).

[Guiglia] You have "split" from [PPI Secretary] Martinazzoli, but will you not make peace sooner or later, as good Christian Democrats?

[D'Onofrio] We will certainly remain united within the Catholic Church. In Italian political life, however, we will not be reunited, not at least with those who represent PDS [Democratic Party of the Left] leader Occhetto's hard core within the People's Party.

[Guiglia] Was the rift caused by ideological motives or by electoral calculations?

[D'Onofrio] Fortunately, the current majority system cannot guarantee anybody a seat. Even the infamous proportional quota, which forms part of the mechanism and is coveted by several parliamentarians, is mere "guesswork."

[Guiglia] Within the moderate pole, [Pact for Italy leader Mario] Segni does not want a dialogue with the MSI [Italian Social Movement]. Do Christian Democrats agree?

[D'Onofrio] I am one of the few DC supporters who showed some interest in [MSI Secretary Gianfranco] Fini's evolution toward the center. If National Alliance's upcoming convention confirms what Fini has often told me—namely, that a new right, capable of governing and with a European outlook, is rising from the ashes of the MSI—then my position is very simple: The alliance of those who really want to constitute an alternative to the left cannot afford not to examine, very closely, the possibility of its platform converging with that of National Alliance.

[Guiglia] Can you also trust [League ideologue Gianfranco] Miglio, and his three Italies doctrine?

[D'Onofrio] As far as Miglio the academic is concerned, I am a minor colleague of his. As regards Miglio the politician, I never believed that he was one and the same thing as the League, nor that the League was the same thing as him.

[Guiglia] Does this also apply to Segni and his "Pact for Italy"?

[D'Onofrio] Mariotto [Segni] cannot expect to be umpire and center-field at the same time in this game. He must choose between being the leader of a government coalition whose identity is guaranteed and safeguarded by him, or, alternatively, he must limit himself to leading a platoon of deputies back into parliament.

[Guiglia] You are considered a Cossiga man. However, the former president tried to negotiate with Martinazzoli until the very last. Did Cossiga betray the "pickaxe policy"?

[D'Onofrio] The former head of state's mission to Brescia aimed simply to confirm whether the First Republic was indeed dead.

[Guiglia] Cossiga acting as Martinazzoli's coroner?

[D'Onofrio] I think that by meeting Martinazzoli, the chairman simply wished to have direct confirmation, namely, of the fact that he had been the first to read the signs correctly. Cossiga predicted that the end of the Cold War would lead to the disappearance of the DC and the PCI [Italian Communist Party]. He was dead on!

[Guiglia] However, did the "pickaxer" congratulate you on your split?

[D'Onofrio] Cossiga basically told us the following: "I do not regard you as deserters, because nobody was fighting the war any more."

[Guiglia] Martinazzoli, Segni, D'Onofrio—will we end up with three DC's instead of one?

[D'Onofrio] The People's Party can no longer claim to be the sole heir to the democratic tradition. There are many heirs today, all of them legitimate. In addition, we have disproved those who did not wish to talk to the League on the grounds that an agreement on national unity was impossible.

[Guiglia] What is the basic difference between Martinazzoli's party and that of D'Onofrio, Casini, and Fumagalli Carulli?

[D'Onofrio] On one side, there are those who mistakenly believe that they can carry on happily on their own. On the other side, there are those who hope to bring Italy to make a choice between two alternative government alignments. The former want to go back to the past, we are looking forward to the future—a future that could begin as early as spring. Martinazzoli's party is getting ready to rebake Occhetto's stale bread, the choice being between the bitter bread of communist Cossutta, and the tasteless bread of the "new" People's Party.

[Guiglia] You have been joined by Mastella, [former DC Secretary] De Mita's former spokesperson. What about renewal, then?

[D'Onofrio] Mastella was never a secretary nor held a post in the old establishment. Furthermore, today he risks losing his seat in parliament, as we all are. De Mita, on the contrary, is now forced to act as his own spokesperson.

[Guiglia] Will you answer "yes" or "no" to [Fininvest President] Berlusconi's appeal to moderates?

[D'Onofrio] I believe Berlusconi will enter into politics only if the anti-PDS alignment does not take shape. In such an event, he would do well to join in at full steam, thereby invigorating the whole spectrum constituting the alternative to Occhetto.

PDS Secretary Interviewed on Leftist Alliance

BR2101154894 Rome L'UNITA in Italian 21 Jan 94 p 2

[Interview with Democratic Party of the Left, PDS, Secretary Achille Occhetto by Alberto Leiss in Rome; date not given: "And Now"]

[Text] Just back from Strasbourg, where he repeated his proposal to Martinazzoli for an possible accord between the progressive forces and the new People's Party (if he is really capable of opting for the left) on a joint election and government platform, and on the point of leaving for the Refounded Communist Party conference, Achille runs over the situation to date, on the eve of the election campaign that will be crucial to the history of the republic. He emphasizes the three new fundamental factors that have appeared recently on the scene, all of them, he adds, are goals "that we have worked toward and that we have all gone out to achieve." The first is the dissolution of parliament following the referendum and the new electoral system, and the beginning of the "new political and institutional phase in the life of our democracy, which is one of the fundamental aspects of the birth of the PDS," a "new phase in the reublic, with the arrival on the scene of new alliances and the end of the political parties that featured in the first republic." The second novelty is the "perfect timing" with which the progressive alliance appeared at the end of the legislature. Occhetto sees in this political event "the signature of the constituent phase that we have spoken about so often in the last few years, imagining that it would not have been possible to give an advance indication of the subjects that would have taken part." The third determining event is the end of the DC [Christian Democratic Party]. Another consequence of the fall of the Berlin Wall, and a confirmation of forecasts that the breakup of the old DC would have occurred. "The moment of truth for Catholic politicians," added Occhetto, "came closer and closer...."

[Leiss] Let us start from here. In response to your aperture toward Martinazzoli, the Catholic philosopher and member of the PPI [Italian People's Party] Rocco Buttiglione has accused the PDS of wanting to reconstruct the "associationistic system that created Tangentopoli [the kickback scandal]." How do you judge this response?

[Occhetto] I find it very curious. It comes from a certain confusion of ideas that I did not expect to see in a man whose ideas I have always valued. As well as his thesis on the need to create a bipolar system, with the church placing itself over and above the alternatives, thereby giving the Catholics freedom of choice between the progressives and the conservatives. I am continuing to move in this sense. I would therefore invite Buttiglione to reexamine his judgement more calmly and with knowledge of the facts. I do not see what associationism there is in asking, before the crisis of the grab-all DC party and its need to branch out into two elements—one looking toward the right and the other that should be looking toward the left—the People's party, or rather the Catholics who have been all involved in politics in the DC to date, to choose to govern with the right or the left. I do not see any associationism in a left-wing party leader hoping that Catholic forces will choose to govern in a transparent manner with the left. Instead associationism was represented by the existence of a party that consisted of center, right, and left, and that was associated in governing a country strongly occupied by satellite forces.

[Leiss] But are your not afraid that Segni will drag Martinazzoli into an accord with the [Northern] League? The meeting between the referendum leader [Segni] and Maroni of the League has already been set for Monday....

[Occhetto] I have not given the People's Party a blank check. My reasoning is very much based on the fact that the People's party must reclaim itself—not so much as far as votes are concerned—but by really abandoning all the compromises with the old political order if it is to to govern with the progressives. I am not only referring to those who are under investigation, but to the moving forces of a phase of the republic, a direct expression of the occupation of the State and of associationism. Then what is needed is a distinct clarity regarding the alliances of the other side, not ambiguity. Instead I see the People's Party trying to save the "grab-all" aspect, to keep people like Mattarella and Rosy Bindi who are looking left together, and those who are making eyes at Segni, who in turn, is making eyes at Bossi and Berlusconi through a third party. This would end up disguising the same problem. That of a party that wants to contiue to keep its hands free. This would worry me if I were Buttiglione.

[Leiss] Well then, are you afraid that in the end, as Giorgio Galli says, after the elections the various fragments of the Catholic political world currently on the scene will reconstruct the moderate politics of the old DC?

[Occhetto] They can try to form a center to invite the left to an associationist solution. But we will oppose this and we will fight to win a majority for the progressives.

[Leiss] But why is it still difficult to expect Martinazzoli to make a statement before the elections, thereby revealing his right side and opening up a hemorrhage of votes that could be lethal for the PPI....

[Occhetto] But then Martinazzoli would have to play the role of the force that is not forging alliances with anybody right to the end. From a moral point of view it would be an important decision but one that he could regret. I have appreciated and continue to appreciate his no to the League and to Berlusconi. But I also see the risk of unproductiveness as far as providing a response to the problems of the country is concerned. In an system that is no longer associationist and in which things are done openly before the citizens, if Catholic citizens consider being able to govern with the left a value, and perhaps a historical opportunity, then it is worth loosing the votes of the right. If, on the contrary, governing with the moderate is considered to be more important, then it is worth loosing the votes of the left. In a nutshell Martinazzoli must give Catholic voters a distinct and clear choice.

[Leiss] Martinazzoli must not take part in right-wing "orgies." But the leftists are also being criticized for having created a pole of forces that are very different. Does the distinction between an electoral accord and a government agreement under discussion at the "progressive table" clarify things or confuse them?

[Occhetto] In the current situation, with great extenuating circumstances over the choices of government for the country, and with a law that does not allow for a second turn and the "desistement" mechanism, it is very important for the citizens to know immediately that they have a valid tool to prevent the new and the old right-wingers from getting all the seats. And that a wide range of democratic and leftist forces that have not been compromised by scandals, that favor development, solidarity, and work, and that oppose the wild free-trade, have this objective.

[Leiss] And what about the government platform?

[Occhetto] we have formed a work group to formulate well-defined and detailed proposals. We feel it is our duty to undertake the responsibility of defining a clear-cut government platform for the democratic reconstruction of the country. I think this is what is expected from us, with the workers, businsessmen, and the manufacturing sector of the country. And for this very reason I have scheduled meetings at NATO headquarters, and with London investors over the coming weeks. Even Europe is waiting to see what kind of government platform the Italian progressives can draw up.

[Leiss] What driving ideas will be at the center of the programs? What will be the opposition to the free trade manifesto that the right-wingers, despite their divisions and confusion, are in substance already advancing?

[Occhetto] We intend to take in the proposals that have already come from the Social Christians, Democractic Alliance, and the Greens in this phase. The basic driving idea is that recovery and efficiency can be combined with solidarity, with a development that takes account of employment and environmental compatibility. I contest the fact that the other line-up has a government platform. It seems to me that they are promoting a free-trade propoganda only to discredit the PDS and the progressives. These are idealogical banners that no longer have any meaning.

[Leiss] Let us make an example and play a game. If Occhetto was prime minister, what proposals would he make to Agnelli and to the trade unions regarding the Fiat crisis?

[Occhetto] I would try to make the government favor solutions like those adopted by Volkswagen in Germany. Or by Olivetti in Italy. I would propose solidarity contracts. Not mobility lists [thoses workers who are available for other employment before final dismissal after 2 years] that fatally become the precursors of deindustrialization. A more courageous industrial policy is needed for Italy. It is precisely here that the difference of the progressive line-up lies. There must be a strategy for recovery that follows along the lines of what the Ciampi government has done. But by enrichening this with a new and original policy on work and employment.

[Leiss] Will the generalized reduction of working hours be a distinctive feature of the progressives program?

[Occhetto] Yes. But there will have to be two sides to this policy. The other will consist of innovative choices to create employment and development. This will be achieved through program accords and agreed-upon modifications to working hours. Without forgetting that such a strategy will have to be compatible in Europe.

[Leiss] The right-wingers are evoking a "Liberty Pole": Is Segni their strong point as a possible candidate for premier? How will the progressives react?

[Occhetto] Actually, the first real act of liberty was when Montanelli was fired using methods that I would call a little "Rumanian." What a "liberty pole!" As for premiers, if there were to be direct elections, I think we should first have a sort of "primary" election. And I would accept the result. But as I have often repeated, this law does not exist in Italy. In other European systems the leader of the majority coalition party that wins the elections is generally assigned this role. In our situation there is no sense in imitating a nonexistent electoral system. We must be careful not create contradictions.

[Leiss] Now there is talk of Ciampi no longer being the progressives' candidate, but the new president of the republic. You have said that he remains a "democratic reserve for the country..."

[Occhetto] I do not think anybody said this. Ciampi has placed himself above the sides even in this final and very delicate phase of transition. We appreciated this very much. But in the future, nothing would stop me from independently providing a list of the best names for a "democratic reserve" that is important for the country, if I were asked for advice concerning the composition of the government from the Head of State.

[Leiss] Regarding the Head of State. In Strasbourg you referred to an attack, a "plot" against Scalfaro.

[Occhetto] I confirm that an international band is focusing all its efforts against the Head of State because the president of the republic has always acted in a coherent and legitimate matter when facing the problem of Italy's transition. We cannot question Scalfaro's behavior just because of the questions put to him by a student, thereby exaggerating the accusations made by people like Broccoletti, who is at the center of the degeneration of our political life.

[Leiss] But judicial proceedings are underway. Are there exceptions?

[Occhetto] No we have always respected the investigations and verifications carried out by the courts. We have never made any exception, for nobody. Accepting unfounded scandals, that are generated to damage a decisive electoral campaign by resorting to "plague-spreader" methods as stated in Manozni's "Colonna Infame" is a different matter.

Italian Republican Party Reelects La Malfa

LD2201165194 Rome RAI Televideo Teletext in Italian 1540 GMT 22 Jan 94

[Text] The Italian Republican Party's [PRI] National Council has reelected Giorgio la Malfa as political secretary.

La Malfa received 72 votes for and nine against [his reappointment]. There were 14 abstentions and nine blank ballots. La Malfa resigned as PRI secetary 11 months ago [when he was involved in the Clean Hands investigation].

Court Sentences 13 Mafia Heroin Traffickers

AU2201142794 Paris AFP in English 1829 GMT 21 Jan 94

[Text] Palermo, Italy, Jan 21 (AFP)—A court here Friday [21 January] jailed 13 heroin traffickers, including a suspected mafia chief on the run, who was given 20 years, a judicial official said.

The smuggling ring sending heroin to the United States was allegedly headed by Pietro Aglieri, who was named by a mafia turncoat and is considered one of the new heads of organised crime in Sicily.

As well as receiving a 20-year sentence, Aglieri was fined 150 million lire (90,000 dollars).

Salvatore Cancemi, a former mafioso who betrayed the ring, escaped with seven years and a 40 million lire fine.

In a separate hearing, the court imposed a 15-year sentence on American mafia boss John Gambino, which the official said was negotiated in New York in return for his collaboration.

Cancemi admitted running a heroin refinery at Caccamo, 40 kilometres (25 miles) from Palermo, producing drugs which Toto Riina, a top mafia leader currently on trial, allegedly exported to the United States.

Francesco Marina Mannoia, another turncoat who alleged links between the mafia and former Prime Minister Giulio Andreotti, also worked in the refinery.

Government Bans Movement of Libyan Assets

LD2201002394 Lisbon Radio Renascenca in Portuguese to Europe 0000 GMT 22 Jan 94

[Text] The Portuguese Government has banned—except with special prior permission from the Bank of Portugal—the movement of any funds in Portugal belonging to or controlled directly or indirectly by the Libyan Government, public authorities, or companies. This decision is contained in a Finance Ministry release published in the official state gazette. The release also bans the use of any other funds or financial resources in Portugal by the abovementioned bodies. These measures will remain in force as long as the UN Security Council's sanctions are in force.

Parliament Debates Maastricht Treaty

LD1901191194 Lisbon RDP Antena 1 Radio Network in Portuguese 1700 GMT 19 Jan 94

[Excerpt] Prime Minister Cavaco Silva and Antonio Guterres [Socialist Party leader] were in Parliament, face to face, exchanging criticisms today. The topic of discussion was the European Union Treaty. Cavaco Silva called for everyone's commitment to the building of Europe. He also explained the government's strategy for the next few years. Guterres spoke after [the prime minister] to stress that Portugal is not taking advantage of the opportunities provided by the European Community. It was a heated debate in Sao Bento [Parliament seat], Tiago Rebelo reports.

[Begin recording] [Rebelo] After praising Parliament's commitment to European matters, Cavaco Silva went on to list the three main strategic objectives for the 90's.

[Cavaco] Firstly, the development of our economic and social structures with a view to reaching average European levels by the beginning of next century. Secondly, a greater presence of Portugal in the world through a strengthening of the heritage of our past, namely, the Atlantic ties and the special relation with Portuguese-speaking countries. Thirdly, a guarantee of security and peace within a framework of cooperation, of which NATO is an essential pillar, but which will be increasingly based on an effective European defense and security identity.

[Rebelo] Cavaco Silva's address fully supported the European Union, from the Economic and Monetary Union to the question of foreign policy. Antonio Guterres, taking on the role of opposition leader, did not waste any time in accusing the government of lacking a strategy for the defense of Portugal's interests in Europe. The secretary general of the Socialist Party quoted as an example of this, what he considered to be a permissive policy with regard to economic competition with Spain. As for economic policies, Cavaco Silva is a fundamentalist—Guterres said in order to blame the head of government for the economic crisis.

[Guterres] It is necessary to find in Portugal a prime minister, who despite generous EC support, has led this country into recession, unemployment, and high interest rates—he is here today in this room, it is not necessary to make prophetic assumptions about the future.

[Rebelo] The CDS [Social Democratic Center Party] demanded that the government clarify whether we are heading toward European federalism. The prime minister responded by saying that the CDS's worry did not make any sense, because that question did not apply to Europe and it will not do so for many, many years. [passage omitted] [end recording]

Minister Raises Rights Issue With China's Qiao Shi

LD2401114594 Bern Swiss Radio International in English 1100 GMT 24 Jan 94

[Text] The president of China's parliament, Qiao Shi, has held talks with the Swiss Foreign Minister Flavio Cotti at the start of his four-day visit to Switzerland.

The Swiss Foreign Ministry spokesman said Mr. Cotti expressed his concern to Mr. Qiao over the human rights situation in China, particularly in Tibet. Mr. Cotti pointed out that China still had not ratified the 1966 Human Rights Convention.

During the meeting about 30 Tibetans demonstrated outside the parliament building in Bern.

President Defends Decision to Invite 'Arafat

LD2301102794 Bern Swiss Radio International in English 0900 GMT 23 Jan 94

[Text] The Swiss President Otto Stich has defended the government's decision to invite Mr. 'Arafat for talks at the end of this month. Mr. Stich said in a newspaper interview that he thought Mr. 'Arafat's visit to Bern was a good idea and was in line with Switzerland's promised support for Palestinians in the Israeli-occupied territories. He pointed out that Mr. 'Arafat had now renounced violence, and it was important for Switzerland to be briefed on developments in the Middle East peace process. During his first official visit to Bern, Mr. 'Arafat will meet Mr. Stich and the Swiss Foreign Minister Flavio Cotti.

Government Issues Complaint to Iranian Ambassador

LD2201102694 Bern Swiss Radio International in English 0900 GMT 22 Jan 94

[Text] Switzerland has protested to Iran over its alleged failure to help a Swiss investigation into the murder in Geneva four years ago of an Iranian opposition leader.

The Swiss Foreign Ministry said it had formally complained to the Iranian ambassador that the Tehran government had not reacted to Swiss requests for legal cooperation.

The move comes two days after Iran denounced what it calls Switzerland's unfriendly attitude.

Finland

Russia To Release Information About Nuclear Accidents

LD2101115694 Helsinki Suomen Yleisradio Network in Finnish 1100 GMT 21 Jan 94

[Text] Finland and Russia have reached a preliminary agreement that the threshold for relaying information about nuclear accidents will be lowered. Finland will thus receive information from Russia about less serious accidents on the other side of the eastern border. In addition, the countries agreed this week that exchanges of information about nuclear plants will be increased. Within the next few weeks a Finnish group of experts will visit the Chelyabinsk nuclear waste reprocessing plant.

Norway

'Arafat Arrives in Oslo for Holst's Funeral

AU2101203694 Paris AFP in English 2019 GMT 21 Jan 94

[Text] Oslo, Jan 21 (AFP)—Palestine Liberation Organisation (PLO) chairman Yasir 'Arafat arrived in Oslo Friday evening [21 January] to attend Saturday's funeral of Norwegian Foreign Minister Johan Joergen Holst.

'Arafat was met at Oslo's Fornebu airport by Foreign Ministry advisors Terje Rod Larsen and Mona Juul and Norwegian PLO representative Omar Kitmitto. He was sombre on his arrival.

"I have come to say good-bye to a good friend," was his only comment upon his arrival at the SAS Scandinavia Hotel where a large gathering of Norwegian and international journalists greeted him.

Holst helped broker the Palestine-Israel peace deal last year in a series of secret meetings in Norway. He died last week of a stroke at the age of 56.

The PLO leader will also hold talks with Israeli Foreign Minister Shimon Peres and US Secretary of State Warren Christopher during his stay in Oslo in a bid to resolve the stalemate plaguing the Middle East peace process.

Israel and the PLO have reached deadlock in their negotiations on border crossings between the Gaza Strip and Egypt and between Jericho and Jordan. They also disagree on the size of the proposed autonomous city of Jericho.

On Friday evening 'Arafat was due to meet with Peres who arrived earlier in the day. No talks are planned for Saturday as Peres must respect the Sabbath and not work. Christopher was also expected to arrive in Oslo late Friday.

* Admiral Says Russian Military's Goals Uncertain

94EN0192A Oslo AFTENPOSTEN in Norwegian 17 Dec 93 p 3

[Article by Trond Bo: "Increasing Russian Military Activity"]

[Text] The election in Russia could lead to a more unstable military situation with additional forces put into position, a Norwegian admiral feels.

The unstable situation in Russia and a reduction in advance stockpiling for allied air support were the central topics at the annual news conference at the Southern Norwegian Defense Command in Stavanger yesterday.

Vice Admiral Bjorner Kibsgaard, the commander in chief in southern Norway, said that the result of the Russian parliamentary election points toward a more unstable situation in Russia. He characterized statements made by certain new leaders after the election as blatant ambition.

Kibsgaard indicated that in the last two months there has been intense training activity on a Russian aircraft carrier Admiral Kusnetsov, but that it will take years for the ship to operate with the planned air strength of Flanker and Frogfoot—NATO terms for Russian aircraft.

"The Russian military is undergoing a hefty downsizing, but remains a modern and effective force despite extensive reductions," said Captain Christian Grundt, who is chief of intelligence and security at the Southern Norwegian Defense Command.

Since 1992, the standing forces in Russia have been cut to 1.2 million soldiers, but a combat-ready, standing emergency force of 200,000 men is maintained. Training activity has increased in the last year, and there have been 150 sorties along the Norwegian coast as far south as Stavanger. The strategic submarine fleet with nuclear weapons onboard is on maneuvers just as before and moves continually with its nuclear cargo in the Barents Sea. There continues to be a capability ready for use whenever called upon.

Parallel with this plan, the NATO countries, with Norway leading, are planning joint exercises in the northern regions, in which Russia would participate. These would not be complex military exercises, but rescue exercises and training aimed at working together in a UN context.

The Russians have also adopted a new military doctrine, passed by the Russian security council on 9 November and approved by President Boris Yeltsin.

"What is new in the military doctrine is the fact that the Russians state they do not have any declared enemies and that their security goal is to prevent war," said Kibsgaard and stressed that the old political ideology was now gone.

Russia promises not to use force against other states unless their nation or other allied nations are targets of aggression. Nuclear weapons are to be regarded as deterrents, and Russia distances itself from first strike with nuclear weapons. Under certain circumstances, Russia retains the right to use nuclear weapons.

As to its relationship with neighboring countries and former Soviet republics, there is uncertainty with regard to the objectives of the Russian military in protecting Russian interests, which include those in foreign territories.

Political Leadership

In answer to a question from AFTENPOSTEN as to whether the new military doctrine will lead to stronger political control over the military, Kibsgaard said:

"The military power apparatus has a lot of influence, but from what we have seen, the political authorities have control over the military."

With regard to the dramatic days in October, the commander in chief felt there was some uncertainty as to whether the Army remained loyal to Yeltsin because they supported him or because they saw their own purposes best served by quelling the uprisings. At present, the defense command is familiar only with the published version of the military doctrine. Kibsgaard felt that it was still too early to comment on possible changes in Russian military strategy.

* Editorial Urges Conservatives To Take Center Stage

94EN0187C Oslo AFTENPOSTEN in Norwegian
27 Dec 93 p 8

[Editorial: "Conservatives in the Wings"]

[Text] Professor Henry Valen is right, of course, when he calls the Storting election of 13 September an "anomaly" that broke the trend we have seen throughout the postwar period. It is clear that EC opponents from all the other parties, including the Socialist Left Party, flocked to the Center Party. However, it was a big surprise to many that election experts feel they can draw the conclusion that the record low voter turnout was caused primarily by EC opponents who decided to stay home. If that is true, it is a clear indication of the challenge that faces EC supporters.

The Labor Party has its problems to contend with, but the Conservatives have problems that are just as great. Among the nonvoters in the Conservative ranks, there were three times as many EC opponents as supporters. Even so, the election experts are overstating the case when they maintain that the Labor and Conservative roles as political opposites have been abolished. The fact that only a minority of voters regarded the Conservatives as a government alternative in this election does not necessarily mean that the traditional dividing line in Norwegian politics has become irrelevant for all time. It is not a foregone conclusion that the party patterns resulting from the EC struggle will be a permanent phenomenon.

Nonetheless, the Conservatives must be quite perplexed by the fact that the Labor Party received a sizable influx of EC supporters from both the Conservative and Progress parties in this year's election. For the many voters who regard a strong government as the best guarantee of stability, the Conservative Party was not an alternative.

The Labor Party for its part lost many EC opponents, mainly to the Center Party, but in return it acquired new voters from the ranks of those who support Norwegian membership in the European Union, the new name of the EC. Again underlining that the Conservatives are on the sidelines. EC supporters simply sought refuge in the Labor Party. At the same time, former Conservative voters who oppose EC membership voted for the Center Party—if they went to the polls at all.

It is no surprise that there are also many opponents among traditionally Conservative voters. However, it would be a complete mistake for the Conservative leadership to be deluded into believing that the election defeat was a consequence of the fact that there appeared to be more room for opponents in the Labor Party than in the Conservative Party. If the Conservatives had been able to make this year's meeting with the voters a government election, the EC opponents in the party's own ranks would also have voted the same way they did in 1989.

When it comes to our future relationship to the EC, the voters already knew where the Conservatives stood four years ago. The difference was that then the Conservatives emerged as the leaders of a nonsocialist coalition that was prepared to assume government responsibility.

When the nonsocialist coalition collapsed in November 1990 and the Center Party paved the way for a new Social Democratic minority government, the Conservatives saw their big chance. But they never succeed in emerging on their own as a credible challenger in the fight for government power.

If the Conservatives remain standing in the wings without having any impact in the Storting, this year's "anomalous" Storting election could be the beginning of years of tedious effort. The Conservatives must now show that the party is able to find its bearings in a new reality.

Sweden

Iranian Kurdish Activist Injured by Letter Bomb

LD1801185494 Stockholm Radio Sweden in English
1715 GMT 18 Jan 94

[Text] A letter bomb has badly injured an Iranian Kurdish activist in Stockholm and police say the attack was likely to be politically motivated. A spokesman for the Democratic Party of Iranian Kurdistan, based in Paris, blamed the Iranian Government for the bombing. The injured man is a member of the party's Swedish committee.

Kliridhis Comments Upon Return From Thessaloniki

NC2301215794 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek 2100 GMT 23 Jan 94

[Text] President Glavkos Kliridhis said this evening that with its joining Greece's defense space, Cyprus will be stronger than it is now as far as the negotiations go, and much stronger in regard to any Turkish expansionist designs. Speaking upon his return from Thessaloniki this evening, President Kliridhis noted that Turkey knows what has been said by Greek Governments, that any possible attempt at expansion into the free part of Cyprus is a reason for war, but he added that if it does not know that there are plans for implementation of this decision, it will not take us seriously.

President Kliridhis said that the practical steps for the unified defense space between Greece and Cyprus will be completed by the end of February and will be put before the two governments. He also said that a delegation from the Greek National Defense General Staff in Athens will come to Cyprus at the beginning of February for cooperation with the National Guard General Staff. Greek National Defense Minister Yerasimos Arsenis will come to Cyprus around the middle of February for a further exchange of views.

Referring to an appraisal that the moment of truth for the Cyprus issue has arrived, President Kliridhis said that the moment of truth for the Cyprus issue has been close for a long time now, and that the truth is that [Turkish Cypriot Leader Rauf] Denktas has never responded positively to any proposal for a solution of the Cyprus issue. The president also said that the Greek Cypriot side agreed to discuss the UN secretary general's proposals in order to find ways to implement them. However, Kliridhis added, we do not accept Denktas' altering the proposals and will not discuss the Turkish Cypriot leader's altered proposals. Finally, the president noted that the National Council will be convened on 27 January.

Contents of Denktas Letter to Butrus-Ghali Released

TA2201193894 Nicosia Bayrak Radio in Turkish 1630 GMT 22 Jan 94

[Text] The contents of a letter President Rauf Denktas sent to UN Secretary General Butrus-Ghali informing him that the Turkish Cypriot side is ready to negotiate on the confidence-building measures have been revealed. The letter was given to the press yesterday but was embargoed until 1200 today.

In the letter, Denktas said that the Turkish Cypriot side is ready to cooperate with the UN secretary general in reaching an agreement on the confidence-building measures, which it accepts in principle. Denktas pointed out that in order to achieve this aim, he is ready to start negotiations with Greek Cypriot leader Kliridhis. We think it will be beneficial to hold the negotiations in Lefkosa [Nicosia], Denktas said.

The president told the UN secretary general that the government program which was approved by the Turkish Cypriot Republican Assembly anticipated that he, Denktas, be the negotiator, and that he has accepted this task. We are pleased, Denktas says, that the UN secretary general shares the understanding of the Turkish Cypriot side regarding the confidence-building measures. We have observed, he adds, that the various understandings and concepts which we meticulously emphasize are also included in the reports the secretary general submits to the Security Council.

President Denktas stressed that the measures to be implemented should not eliminate the limited means of the Turkish Cypriot side, that the arrangements to be made in connection with Maras [Varosha] and the Lefkosa [Nicosia] International Airport should help lift the embargoes against the Turkish Cypriots, and that sanctions should be imposed on the side that undermines the interests created by the implementation of the measures.

Denktas said in his letter that the fenced area of Maras which are to be given over to UN rule should be areas of contact and cooperation fitting the two communities' common interests. If the Turkish Cypriot side is prevented from benefiting from Lefkosa International Airport, Denktas said, then this region should be returned to Turkish Cypriot rule.

The president pointed out that one of the basic principles on which both sides agreed during the negotiating process was that a comprehensive solution should be sought by discussing the issue with all its aspects as a whole. It is obvious, Denktas said, that the approach to implement measures that will build confidence between the two sides will not change this basic principle. He added that the United Nations also admits that the confidence-building measures aim to reach a comprehensive solution easier.

Denktas said: I would like to stress that we have noted the guarantees in your reports saying that partial agreements will not be posited in the future, during our search for a comprehensive solution.

Denktas recalled that as cited in the 13th paragraph of the secretary general's report of 1 July 1993, the aim of the confidence-building measures is not to grant political advantages to the sides and that within that framework, the two sides will not be forced to make political concessions. Also, Denktas said, the two sides will not be forced to change their positions regarding each other's political status. The two sides reserve their positions regarding a comprehensive solution.

Denktas went on to say: On the other hand, I would like to stress that in our assessment of these measures, we took into consideration that one of the results of implementing the measures will be the elimination of the obstacles before the Turkish Cypriots in the commercial and economic fields, and in foreign travel.

Denktas stressed that he attaches great importance to the reassurances the UN secretary general made that the advantages to the two sides will be important, equal, fitting, and guaranteed in practical terms.

Denktas said: The Turkish Cypriot side's security considerations within the framework of the solution of the Cyprus problem is a vital issue that the United Nations takes into consideration as well. Whether in connection with measures that aim to increase mutual confidence, or within the framework of the search for a comprehensive solution, security is a priority issue for the Turkish Cypriot side. This security factor is as valid in connection with the confidence-building measures on which we now work. The importance we attach to this issue, particularly in connection with the Maras issue, was conveyed to the UN secretariat general in a list of questions we asked on 23 October 1993. Considering the history of the Cyprus problem, I am convinced that you will attach the necessary importance to this factor which is of vital importance to the Turkish Cypriots.

Denktas concluded his letter by saying that he would be pleased to confer with the secretary general by accepting the invitation he will extend to him at an appropriate time.

Denktas on 'Advantages' of Confidence-Building Measures

TA2201195094 Nicosia Bayrak Radio in Turkish 1630 GMT 22 Jan 94

[Text] President Denktas has said that the Turkish Cypriot side agreed to negotiate the issue of the Lefkosa [Nicosia] Airport and the opening of Maras [Varosha]—part of the confidence-building measures—based on the reports drawn up by the UN secretary general and the experts.

In a statement to the press today, Denktas pointed out that the confidence-building measures are being based on the premise that they will bring great economic advantages to the Turkish Cypriot side. The UN secretary general and the experts have confirmed this, Denktas said, adding: Our people will see. If that is so, then naturally the negotiations will be held in a comfortable atmosphere.

Denktas said that the reactions of the Greek Cypriot side must be well assessed. The principles of the Turkish Cypriot side are out in the open and we are not moving back, he said, adding: However, we are not going to shun negotiations to be held with goodwill.

Denktas recalled that in a speech in Thessaloniki, Greek Cypriot leader Kliridhis said he wants everything and every place and that he will not allow the Turkish Cypriot side any atvantage. On the other hand, Denktas stressed, we are being strongly reassured that the Turkish Cypriots can take their passports and fly from Lefkosa International Airport.

Denktas pointed out that another point on which the Turkish Cypriots are being strongly reassured is the fact that the Ercan [Tymbou] Airport control area and Ercan airspace will not be affected, and that Ercan will continue to function as it does today. The president said that planes registered in Turkey will be able to land and take off from Lefkosa Airport without intervention. He explained that this would mean an extensive relaxation of the embargo imposed on the Turkish Cypriot side.

Denktas went on to say that the entry into the Lefkosa International Airport will be from two separate gates, and that the gate from the Turkish Republic of Northern Cyprus [TRNC] will be solely in the hands of the TRNC authorities. He added: The FIR [Flight Information Region] line between us and Turkey which concerns our security will surely not be affected and will continue as it is today.

Denktas pointed out that the Greek Cypriot side said earlier that it would participate in the negotiations for tactical reasons only. It is necessary, he stressed, not to underestimate the difficulties, to remain cool, and to be patient.

Denktas said: It has been explained that the confidence-building measures were drawn up not in order to deceive the two sides, but to lead to new cooperation and to grant extensive economic advantages—in the words of the UN secretary general—to the Turkish Cypriot side which has been the subject of an embargo for years. At the end of the negotiations, we will see whether these promises were true or not, and we will ask our people for their opinion.

The president pointed out that the secretary general's special envoy Joe Clark will meet with him and Kliridhis on Monday, and that the shuttle diplomacy between the two sides might begin at the end of February. If positive results are achieved, Denktas said, it may be necessary to go to New York.

Replying to a question, the president said that he might be going to Turkey during the first week of February.

'Slavomacedonia' Rejected as Compromise Name

NC2201154894 Athens ATHENS NEWS in English 22 Jan 94 p 1

[Text] A prominent member of ruling party PASOK [Panhellenic Socialist Movement] has suggested "Slavomacedonia" is an acceptable compromise in the dispute over the name of the former Yugoslav republic of Macedonia, ahead of Monday's [24 January] crucial parliamentary debate on the Skopje issue. His suggestion received support from ex-New Democracy minister Alexandros Papadhogonas but was dismissed by the government spokesman.

Pandelis Oikonomou, a member of the PASOK Central Committee, has been known to take up unpopular policy options which the party leadership sometimes later embrace, as in the case of his preelection stand in favor of taxing "repos." But his "Slavomacedonia" suggestion comes at a time when Prime Minister Andreas Papandreou is eager to show his government is united on the issue, especially after recent divergent opinions from European Affairs Minister Theodhoros Pangalos.

Government spokesman Evangelos Venizelos, echoing the Interior Minister Akis Tsokhatzopoulos, insisted Mr. Oikonomou was only expressing "his personal views which have nothing to do with government policy."

First Greek Soldiers Return From Somalia

NC2201161394 Athens ELEVTHEROTIPIA in Greek 22 Jan 94 p 5

[Text] The first and largest group of the Greek expeditionary contingent in Somalia was repatriated yesterday afternoon. The Greek soldiers returned with their "daughter," a young Somali girl whom they adopted during their stay in the distant country, and her Greek grandmother.

The political leadership of the Ministry of National Defense welcomed the 70 Greek soldiers and officers, the 13-year-old Maria Andreou and her grandmother Anna Vourexaki during an official ceremony yesterday afternoon at the Elevsis military airport. The repatriation of the remaining 40 men will take place in the middle of next month after arranging for the return of the hardware which was sent to Somalia.

Former National Bank Governor Wounded in Athens

NC2401091294 Athens Elliniki Radhiofonia Radio Network in Greek 0800 GMT 24 Jan 94

[Text] There was an assassination attempt on Mikhail Vranopoulos, former governor of the National Bank, at 0910 today on 46 Solon Street. An unidentified man wearing a suit fired four shots at Vranopoulos, hitting him in the abdomen. The gunfire also wounded an unidentified passerby. After the shooting, the culprit escaped on a motorcycle driven by an accomplice. Mr. Vranopoulos was taken to Evangelismos Hospital.

Israeli President Arrives, Received by Demirel

TA2401112894 Ankara TRT Television Network in Turkish 1100 GMT 24 Jan 94

[Announcer-read report over video]

[Text] Israeli President Ezer Weizman has arrived in Ankara as the official guest of President Suleyman Demirel. Weizman was received at Esenboga Airport by Foreign Minister Hikmet Cetin. An official reception will be held at the Cankaya Mansion this afternoon.

The Israeli president will first visit the Ataturk Mausoleum and then go to the Cankaya Mansion for the reception. After that, the official talks between the two countries will be held.

Demirel, Weizman Deliver Speeches

TA2401161594 Ankara ANATOLIA in English 1550 GMT 24 Jan 94

[Text] Ankara, Jan. 24 (AA)—President Suleyman Demirel said today that he and Israeli President Ezer Weizman were to discuss means to give an impetus to the two countries' relations.

Weizman arrived in Turkey earlier today for a four-day official visit, the highest-level visit by Israel to Turkey so far.

Speaking at the official welcoming ceremony at the presidential palace of Cankaya, President Demirel said that the visit of Weizman coincided with the emergence of hopes for peace in the Middle East and "we want this gate of peace to be opened thoroughly and our country will do whatever it can to this end."

Demirel said that the two countries had great opportunities to cooperate on trade, contracting services, tourism and technological exchange and that all levels of contacts will be held between Turkey and the Israeli delegation.

"Our relations with Israel continue uninterruptedly since 1948. Recently these have been accelerated," Demirel said.

"Our efforts are aimed at laying the foundations of a Middle East which, all the energy and money spent for militarization will be spent for development," Demirel added.

On his part, Weizman said his country was doing more than it can for peace.

He recalled that his country was holding talks with Palestine for peace and "I hope that we begin talking for peace with Syria, with President al-Asad."

He recalled that his first visit abroad as president has been to Turkey and "I regard this visit also as a great step because of the changes taking place in our region."

He went on to say that both countries were desiring to establish a peaceful order in the region and "relations between Turkey and Israel could be a catalyst for peaceful relations in our region."

After the tete-a-tete meeting between Weizman and Demirel, delegations of the two countries began official talks.

Mentese Issues Statement on January Operations

TA2301121794 Ankara TRT Television Network in Turkish 1100 GMT 23 Jan 94

[Announcer-read report over still of Interior Minister Nahit Mentese]

[Text] Interior Minister Nahit Mentese has announced that during operations conducted throughout the country from 1 to 23 January, 197 terrorists were killed and 707 were captured. In a statement issued today, Mentese reported that of these terrorists, 176 were killed and 422 captured in the state of emergency region. Mentese said that during these operations, security forces seized 169 rifles, 63 pistols of various calibers, 268 bombs, and 7,224 rounds of ammunition.

Stressing that in no country in the world have terrorist organizations overpowered the state forces, Mentese remarked that in Turkey, too, terrorist organizations will be buried in the dark pages of history as a result of the determined and dedicated struggle waged by security forces. The interior minister said that the state is the counterpart of movements directed against the country's integrity and the principles of the republic, regardless of where these movements originate from. These movements will be stopped and the matter will be resolved with speed, Mentese added. He declared: We will overcome this nuisance of terrorism with the help of our great people and we will certainly bring about an atmosphere of tranquillity and security, which our people long for.

Twenty Reportedly Killed in Mardin 'Terrorist' Raid

TA2201112694 Ankara TRT Television Network in Turkish 1100 GMT 22 Jan 94

[Announcer-read report over video]

[Text] Terrorists raided the Akyurek and Ormancik villages in Mardin's Savur District last night, killing a total of 20 persons, mostly women and children. Seven persons were injured in the incident. Two of the terrorists who participated in the massacre were killed near Akyurek village.

According to information received by a TRT correspondent from the State of Emergency Region Governor's Office, a group of terrorists who raided Akyurek and Ormancik villages martyred four of the village guards who resisted them. The terrorized and frightened villagers gathered together, whereupon the terrorists hurled a hand grenade and a deadly gas bomb on them. Fifteen persons were killed immediately and a child died later in hospital. The injured persons were taken to Mardin State Hospital.

Extensive operations continue in the region to catch the terrorists. Unal Erkan, State of Emergency Region governor, left for the area of the incident this morning to hold contacts.

Golhan Explains Postponement of Army Discharges

TA2201201094 Ankara TRT Television Network in Turkish 1800 GMT 22 Jan 94

[Announcer-read report over video]

[Text] National Defense Minister Mehmet Golhan has said that to a great extent, Turkey will be saved from the curse of the separatist bandits by spring. This does not mean that terrorism will be completely eliminated, he said, but its arms, wings, legs, and spine will be broken.

Adressing a meeting organized by the Great Anatolia Group in Ankara today, Golhan said that the leaders of terrorist groups are usually not of Turkish origin. He explained that the separatist organization is being supported from inside and outside Turkey. The government is determined to fight terrorism and every support is being extended to the security forces regarding this issue, he said.

The minister pointed out that the efforts being made abroad to fight terrorism have also been successful. However, he said, certain neighboring countries are welcoming the terrorist organization kicked out by the West, but this will not benefit anyone.

On the postponement of discharges from the Army, the national defense minister said:

[Begin Golhan recording] Turkey is not in the position it was six months ago. Nor is it in the position it was one year ago; far from it. There is fire around Turkey. Turkey is surrounded by fire. Certain elections were held in some of the countries surrounding Turkey. New leaders were elected. You read their statements in the press. Today, Turkey is faced with danger, with a risk potential, more than it was yesterday. Turkey has decided to get rid of the curse of the PKK [Workers Party of Kurdistan]. What were we expected to do? Nothing? [end recording]

Golhan stressed that like all countries in the world, Turkey will overcome terrorism. He urged terrorists to surrender while there is still time.

Problems Facing Army Viewed

NC2101205294 Ankara TURKISH DAILY NEWS in English 13 Jan 94 p 3

[Unattributed "analysis": "The Military Debate: Escalation in Conflict Expected in the Near Future"]

[Text] Ankara—Looking back at Turkey's agenda of the past weeks, any observer would spot only one phrase bobbing up and down: the military.

First there was an accusation against draft dodgers. Then talk of new measures. Next came television programs on how well the families of the martyred were treated by the state. And, surprise, surprise, Turkey had to welcome a decision to freeze all army discharges for at least three months. The latest chapter in the story seems to be a motion in Parliament demanding that some control be exerted over a tax-exempt army enterprise which has been spreading its influence after each and every coup.

These days, Ankara's agenda is full of a lot of rumors—and warnings at that.

There is word of great people in great seats talking privately within the family. Telling tales of how for four decades they have served the country. Complaining of political vacuums which need to be filled. How much the country and nation is in need of them and how difficult it would be to leave their crucial positions at a time of massive crisis and when Turkey's risks and the threats to her position are on the increase. The warning is that such people may do much to stay put, and that any criticism of them could be taken as a reason for judgment "when the time comes."

This is a message. One which has been delivered and heard.

According to Gures, who heads a constitutional body whose existence is based solely on the sacrifices of the devoted tax payers, there are circles using the argument that "the army is not taboo," to undermine the armed forces.

According to Yekta Gungor Ozden, the chief judge of the Constitutional Court, "the army is not taboo." The obvious question is who would know better in Turkey, a country run by a constitution, than the head of the Constitutional Court?

Days after Gures' hard-hitting speeches on how dearly the army wanted to stay out of politics, how some circles were harping on about the fact that the army was not a taboo subject, and how there were plots against the command center of the armed forces, Turkey decided to freeze discharges of military personnel. Little could be said against such a decision, with so much talk around town.

Two weeks ago, the Mehmetcik Vakfi, a foundation to care for soldiers and their families broadcast a program in which it showed families of the martyred. All businessmen and individuals were invited to donate. After all, these children are indeed dying for their country. Those wounded deserve more care and better treatment. Those who have been martyred need their families to be cared for. And so on.

The program showed a youngish woman in a headband, explaining the good treatment she was getting. As a widow of martyred soldier, she was getting approximately 100 dollars every three months (about 35 dollars a month) as compensation.

On Dec. 20, under pressure from the Chief of Staff, the government faced the task of taking the "absolute decision" to extend military service. It froze the discharge of conscripts. Then the bureaucracy started to work. Orders were written and distributed.

All the time, not a single government official wanted to take the responsibility. All the time the ministers remained silent. No one wanted to take the burden of having to announce such a decision which would suddenly affect the life of about 540,000 soldiers and their families. Some two to three million human beings.

Recently there have been reports that there is an increase in desertion from the army. The left-wing press especially, such as the daily AYDINLIK and the pro-Kurdish OZGUR GUNDEM, are playing the issue up. AYDINLIK is a newspaper which claims to be devoted to labor and human rights. OZGUR GUNDEM is known by all. The TURKISH DAILY NEWS [TDN], on the other hand, is a newspaper known for its objective and precise reporting. Thus, claims penned by AYDINLIK and OZGUR GUNDEM have been included in TDN reports as "claims." But, when questioned on the TDN, AYDINLIK and OZGUR GUNDEM reports on Tuesday, Chief of Staff spokesman Col. Dogu Silahcioglu makes a statement. "It means that the sources of bogus news have been activated as part of a concerted plan," he boldly says.

Turkey shall indeed see who has the real plan and who is truly caring for the country. Turkey shall see these very soon for those with their plans will not be able to wait too long. The storm is brewing.

On Wednesday, the TDN checked with the proper authorities on the conditions of those serving the Turkish Armed Forces. We wanted to know how the recent extension of military service is to affect their lives—what, for instance, the tens of thousands of soldiers whose service period have been extended will get in return.

And the results...

The monthly salary paid to a Turkish private—and this is for real—is still 37,000 Turkish Liras. In other words, a Turkish private gets approximately 2 dollars and a quarter every month for protecting his country, risking his life on an hourly basis. The monthly salary for a Turkish corporal is 57,000 liras and the salary for a sergeant is 75,000 liras.

A Three month extension per soldier costs Turkey only about 111,000 liras in all. This excludes the accommodation and food which, naturally enough, are free.

For 111,000 liras in today's Turkey (three months wages for a soldier), one can make many choices. In the three months, one could make two taxi trips in the city (and short ones at that), or buy six packs of Marlboro cigarettes, or even get two bottles of Raki.

But, obviously soldiers neither need taxi trips, nor to smoke Marlboro or drink Raki. But with the 111,000 for three months, they can't buy a ticket for the Ankara-Istanbul bus.

On Jan. 3, 1961—only seven months after the 1960 military intervention—the Turkish Armed Forces created a new institution. Its name is OYAK, standing for Army Mutual Assistance Establishment (or fund).

OYAK was founded according to law number 205 and has flourished incredibly rapidly over the past three decades expanding more and more after each coup. 1971 was another turning point for OYAK as was 1980.

Today, OYAK employs a labor force of approximately 25,000 and is listed among the largest 500 companies in Turkey. It is also a shareholder in eight major companies.

OYAK's current annual turnover is reported at 5 billion dollars or seventy-five trillion liras. It is active in the automotive sector, the cement industry, Turkey's petrochemical industry, the food sector, electronics, agricultural chemicals, service industries and banking. In the last days of 1993, OYAK, acting along with its smaller shareholding Turkish investors, bought a huge share of the Turk-Boston Bank.

Some claim that with this move, the Turkish Army is the second army in the world, after that of Guatemala, to own a bank. All the time, OYAK's aims were clearly cited in its articles of foundation, of which one is clearly important: "In order for members of the armed forces, who constitute a great mass, to be forced into mutual assistance and solidarity with the aim of guaranteeing a better future for themselves..."

Turkish commissioned officers and petty-officers are members of OYAK. But the non-commissioned officers, who every month pay OYAK contribution money, are not. They join the army, get a salary, pay their share, which is five percent of their whole salary, and are discharged. In return, they get none of the OYAK benefits enjoyed by their superiors.

Petty-officers, who also pay OYAK part of their salaries, number around 18,000 members of this fund-turned-enterprise. But there is not a single petty-officer in OYAK's management. Soldiers are not members of OYAK which has clearly become a substantial economic force in Turkey.

And, privates, who die every day for their country, only get two dollars and a quarter every month for their services. Talking to an ex-general who has had much say on post-coup developments last week, the TDN found him complaining bitterly. "In our time," he says, "people would see military service as a step towards manhood. Youngsters would be sent off as conscripts with parades and ceremonies."

"Now the situation is different."

One of the chief characteristics of OYAK is that its membership is made up of officers from the Turkish Armed Forces, and technically it is a mutual-assistance fund. Officers, whether they like it or not, pay 10 percent of their salaries to this institution.

But OYAK does not like to share. It does not share its income with the soldiers which are the mainstay of the Turkish armed forces. It does not share with the noncommissioned officers and it does not share with the "state" either.

The annual turnover of this "corporation," some 75 trillion liras in total, is tax-exempt. In other words, OYAK does not pay tax on its commercial activities.

There are strong laws and regulations which protect the interests and immunity of the armed forces in Turkey. Thus any criticism of this "taboo area," is regarded only as a deliberate plot to lower the morale of the armed forces. The Turkish armed forces, however, is made up of Turkish youngsters. Youngsters who are there not for the two dollars and a quarter they earn every month but for the honor of it. They are not there as "professionals," looking at the job as an opportunity to get a good salary and other benefits. Nor are they there to become shareholders in a great economic enterprise. They are there to serve their country.

Defending their rights is thus to defend the principle rights of the Turkish army. Because these people are human beings, with families to care for and jobs to keep. And these people are owed an explanation if they are to be asked to risk their lives for even longer periods. Some explanation must be given.

Once the decision on freezing military discharges was revealed, there arrived a "leak" of information to the Turkish press. A leak that, along with this order, all retirement and resignations from the armed forces had been frozen as well. Later, it was formally announced that this was not true. But the word was out and the denial had little meaning. For it was made public that something of that sort could happen. The Turkish public is thus prepared.

For instance, with the clashes in southeast Turkey intensifying, Ankara could decide to upgrade the legal dimension of the problem and adopt decisions for national mobilization, extending the Emergency Rule throughout Turkey and even declaring Martial Law or wartime conditions.

If and when this happens, then all "retirement and resignations" from the armed forces could be stopped "until a second order." Or indefinitely.

Thus, expectations for retirement in August of some high level commanders would also be shelved.

This would, in other words, be the result of an escalation in tension. And not if the tension is diffused.

And just some footnotes, again without comment:

1. Gen. Dogan Gures, the Chief of Staff commander, will hold his office up to the end of August. In fact in August this year there will be a major change in the top echelons of the Turkish military.

2. The government last year extended Gen. Dogan Gures's term of office for a whole year according to a decree issued with the authority of the cabinet.

3. The Constitutional Court, entrusted with the duty of making sure that everything works in harmony with the 1982 constitution, abolished the authority by which Gures' term had been extended.

4. Because the necessary application with regard to Gures was not made on time, despite the court ruling that the reappointment was unconstitutional, the chief of staff remained in situ.

Turkey is on a head-on collision course with Kurdish separatists in the southeast and there is an immense buildup of troops and weaponry in the region these days.

Some 40,000 troops out of the current 160,000 in the region will not be discharged. Additional forces will be sent there and the manpower will increase dramatically.

A military official said this week that the reason for freezing military discharges was because troops could not be transferred to the region from other parts of the country and because a professionally trained force was needed.

Newspapers reported on Wednesday that in a recent clash with the PKK [Workers Party of Kurdistan] in the remote province of Sirnak, two soldiers attached to the Turkish navy were killed. They were based in Izmir with the Naval Forces Command.

They were martyred in Sirnak. Again Sabah's Zulfu Livaneli reported the same day the plight of 700 teachers who were recruited by the army.

In November 1993, they were invited to join the army as privates but in the "teaching class," to aid educational schemes. Their service terms were two months only. Thus, leaving behind installment payments and in their own words, "houses in a sorry state," they joined.

They joined for two months and they have now been told that they are to serve for 15 months. But this was not all. They joined the army as teachers.

And all aged between 28 to 35 among the 700 were taken aside and told they were going to become commandos.

They are now to serve 15 months and serve as commando soldiers fighting in the southeast. This alone shows how desperate the situation has become and how many lives it is affecting.

The next stage is probably to be an escalation along with a freezing of all resignations and retirements for officers. But no one yet knows what will come after that...

Drug Trafficking Through Turkey Reported

NC2201123494 Istanbul CUMHURIYET in Turkish 18 Jan 94 pp 1, 15

[Text] Turkey is in the middle of the route the drug traffickers use to transport their narcotic substances from Central Asia to Europe. The opium produced in Afghanistan, Pakistan, and Iran, which are known as the Golden Crescent countries, is transported through Turkey to Europe, either through highways or sea ports.

The production of narcotic substances significantly increased in the region after the Soviet Union collapsed. For example, the production of narcotic drugs increased by 10 times in Afghanistan. Meanwhile, the effort made to place the production of narcotic substances under control in Uzbekistan, Turkmenistan, and Tajikistan, which became independent republics after the Soviet Union disintegrated, has not been successful. Nearly three-quarters of the narcotic drugs used in West Europe come from the Golden Crescent countries and Central Asia.

The narcotic substances produced in the Golden Crescent countries and Central Asia are smuggled into Turkey in three ways. The first is the route from southern Afghanistan, which crosses through Iran and reaches Turkey. The drug traffickers also use the authority vacuum in northern Iraq as an opportunity to smuggle their narcotic substances into Turkey. The second route is the sea ports. Narcotic drugs are transported from the Golden Crescent countries to Karachi in Pakistan. They are then loaded on ships that carry them to the Mediterranean Sea through the Gulf of Aden, the Red Sea, and the Suez Canal. The vessel Lucky-S was placed under custody in the Mediterranean Sea for carrying narcotic drugs in 1993. The narcotic substances were loaded on the vessel in Karachi. Officials impounded 14 tonnes of narcotic drugs on the Lucky-S.

The vessel Kismetim-1 also picked up a cargo of narcotic drugs in Pakistan in 1993. The crew members reportedly sank that vessel to prevent the police from impounding its cargo.

The third route through Turkey is from the Caucasus, a region that has been troubled by internal unrest since the Soviet Union collapsed. Narcotic substances are transported from the Golden Crescent countries to the Caspian Sea through Turkmenistan. From there, they are transported to Azerbaijan and Georgia either in ships or in vehicles, which use the highways to the north of the Caspian Sea. The internal confusion in Azerbaijan and Georgia facilitates the activities of the drug traffickers in that region. The narcotic drugs, which are smuggled into Turkey in ships or TIR [Transit Highway International] trucks, are later transported to West Europe either in similar trucks, which cross through the Balkan countries, or in ships, which call at several ports in the Mediterranean Sea.

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